# Daily Report

# Latin America

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*FBIS-LAT-93-152* *10 August 1993*

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## Cuba

### Castro Stresses Common Ground in News Conference

*FL1008021193 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 10 Aug 93*

[Excerpts] As we had announced previously, Commander in Chief Fidel Castro is going to Cartagena de India, Colombia, today at the invitation of Colombian President Cesar Gaviria. The Colombian Foreign Ministry has reported that the two leaders will hold private meetings with an open agenda. The Cuban president is accompanied by the delegation that attended the transfer-of-power ceremonies in La Paz. [passage omitted]

The Cuban president concluded his visit to Bolivia with a news conference that lasted almost two hours. At this news conference, Fidel affirmed that Cuba's socialist system does not prevent Cuba from having many things in common with Latin America.

Fidel said: They [not further identified] commonly exploit us and charge us with that enormous debt and its interests. They commonly apply the law of unequal exchange against us. He said: They sell to us at higher prices and buy from us at lower prices, and they commonly limit our possibilities and freedoms. He pointed out: What they do not commonly do is discuss things with us.

[Begin Castro recording] Objective reality forces us to economic openings and changes but these changes are not going to be changes of relinquishing the nation's independence, nor the Revolution, nor socialism. We need to survive, and in order to survive, we must make certain changes, make certain concessions. And we are making these changes and concessions. [end recording] [passage omitted]

### Castro Expresses Willingness To Meet President Clinton

*PA1008015593 Havana Radio Havana Cuba in Spanish 0000 GMT 10 Aug 93*

[Text] President Fidel Castro reiterated in La Paz, Bolivia, Cuba's willingness to work on improving relations with the United States. He added he would accept meeting with U.S. President William Clinton if he expresses that intention.

During a news conference at the end of a five-day visit to Bolivia, Castro said Cuba is interested in improving bilateral relations, but demands an end to the U.S. blockade so the Cuban people can live in peace.

After stating he does not have a bad opinion of the U.S. President, Castro said that now that William Clinton is about to define his foreign policy, a weakening of his administration would be worrisome, as he could be tempted to use force against other countries to strengthen his domestic policy.

Castro said that although its relations with Cuba are not a priority for the U.S. Government, there are contacts to discuss immigrations, cooperation between the coast guard in maritime border areas, and telephone communications.

Castro traveled to the Bolivian city of Santa Cruz for a two-day visit. He will leave from Santa Cruz for Cartagena, Colombia, where he will meet with Colombian President Cesar Gaviria.

### Castro Discusses Clinton, Talks in News Conference

*FL1008015293 Havana Radio Rebelde Network in Spanish 2300 GMT 9 Aug 93*

[Text] During the La Paz news conference with which he concluded his activities in Bolivia, Cuban President Fidel Castro reiterated his country's willingness to work toward improving relations with the United States.

The Commander in Chief affirmed: By definition, we are not enemies of the United States. We are not blockading the United States. We do not forbid our people to travel to the United States. They are who blockade us and limit trips. He further explained that Cuba even has an interest in seeing those ties improve but that it is demanding an end to the blockade, so Cuba can live in peace, he stressed. However, he said, Cuba does not indulge in wishful thinking.

The Cuban chief of state was asked about his willingness to engage in dialogue with President Bill Clinton to discuss the problems between Havana and Washington. To this, the chief of state first responded by saying that the U.S. President would first have to be asked how he felt about the matter. The chief of state added that, should Clinton answer yes, he himself would agree to talk with Clinton.

The international press could pop up tomorrow, saying that he has proposed talks. I am not proposing it, explained the chief of state. He explained that such a dialogue will take place when conditions making it possible exist and that Cuba would not be an obstacle to the creation of such conditions.

The Cuban president also said that he harbors no prejudices against Clinton nor does he have a bad opinion of Clinton. Castro said Clinton's foreign policy remains to be defined, and that he is worried about Clinton's weakening, because then Clinton might be tempted to use force against other countries so as to buttress himself domestically.

### Robaina Cancels 'Private Visit' to Chile

*PA0908210993 Paris AFP in Spanish 1626 GMT 9 Aug 93*

[Text] Santiago, 9 Aug, (AFP)—Cuban consular officials in Santiago have reported that Cuban Foreign Minister Roberto Robaina canceled a private visit to Chile, which was to begin on 9 August. Robaina planned to travel to Santiago after attending the inauguration ceremonies for Gonzalo Sanchez de Lozada, the new Bolivian president. The sources gave no reasons for the cancellation nor did they indicate any possible new date.

Cuban Vice President Carlos Lage visited Chile in June 1993 as part of an effort to bring the two countries closer, which began with the renewal of consular ties in 1991. Cuba and Chile, however, have not maintained diplomatic relations since September 1973.

### Castro Holds News Conference Before Leaving Bolivia

*FL0908220293 Havana Radio Reloj Network in Spanish 1932 GMT 9 Aug 93*

[Text] Thousands of Bolivians said good-bye today to Cuban President Fidel Castro Ruz in front of the hotel where he had been staying since his arrival in La Paz on 5 August, with the chant: "Bolivia loves you, Fidel. Do come back."

The crowd, that had cheered the Cuban leader and constantly expressed its solidarity with Cuba, increased to maximum fervor during their goodbye to Fidel, waving Cuban and Bolivian flags as the historic visitor left the hotel to enter his car for the drive to the airport.

Men, women, and children shouted, "Cuba is not alone, Fidel," and "Fidel, Brother, you are also Bolivian now," and invited him to return to visit them soon.

Bolivian Vice President Victor Hugo Cardenas had arrived earlier to say goodbye to President Castro. Castro ended his visit to Bolivia with a news conference that lasted nearly two hours.

### Fidel Castro Stresses Close Solidarity With Bolivians

*FL0908184193 Havana Radio Rebelde Network in Spanish 1700 GMT 9 Aug 93*

[Report by special correspondent Felix Fernando Garrido]

[Excerpt] [passage omitted] At every step there was a total identification by the representatives of this unselfish people with Cuba's decision to fight and defend the accomplishments of socialism. All the sons of Cuba, personified by Fidel, were received as true brothers.

On Monday, a few minutes after midnight, Castro said for this newscast:

[Begin recording] [Castro] I want to say how happy, honored, and pleased we feel with the extraordinary and incomparable solidarity, friendship, and warmth these people have extended to us from start to finish.

[Garrido] You have said these demonstrations kindle the spirit of resistance in our people.

[Castro] Of course, in all of us and in our people by also making us feel accompanied, by feeling the world's solidarity for our fight, our cause. Oncxe more I have to repeat that this has been an unforgettable impression. I have met a marvelous people, whose warmth has been steadily increasing. Tomorrow we will depart La Paz. We not only carry deep in our hearts the Bolivian people; they are part of us now. We have felt so close to them that I believe this represents an undefeatable friendship. [end recording]

Although Fidel said tomorrow, he meant Monday [9 August] since this interview was granted a few minutes past midnight. Today, Fidel will hold a news conference with journalists accredited to cover the Bolivian presidential swearing-in process of Gonzalo Sanchez de Lozada. Later today, Fidel and his delegation, which includes Foreign Minister Roberto Robaina, who is also a Politburo member, and other comrades will tour other regions of Bolivia. [passage omitted]

### Energy Shortage Situation Update

*FL0908191893 Havana Radio Rebelde Network in Spanish 1700 GMT 9 Aug 93*

[Text] The Electric Union has announced that power outages will continue in the immediate future with the same frequency since 28 July. As explained earlier to our listeners, the cause of this more intense outage situation is the scarcity of oil for electricity generation in addition to the traditionally high demand of the summer months, as well as an increased use of electric stoves due to a lack of other fuels.

In the case of Havana City, power is being cut an average 12 hours per day and in the remaining provinces, power cuts range from 16 to 20 hours a day on the average.

While the country makes the efforts necessary to import the raw material that will allow the greatest possible stabilization of the service, the use of Cuban crude oil has been increased to over 50 percent.

### Commentary Views U.S. Measures Against Illegal Immigration

*PA1008045293 Havana Radio Havana Cuba in Spanish 0000 GMT 10 Aug 93*

[Miguel de la Guardia commentary]

[Text] Pressured by U.S. public opinion and certain groups in Congress, U.S. President William Clinton recently announced measures against illegal immigration, which involves some 300,000 immigrants each year.

Amid an economic stalemate, the immigration phenomenon is increasingly less accepted. In the last two centuries, however, it contributed to the development of the United States.

Nationalist groups accused immigrants of taking jobs away and of being a burden on the country's finances. They seem to forget that immigration continues to be the pillar of U.S. agricultural production. In addition, immigrant workers are subjected to authoritarian bosses and foremen and their pay is much lower than the minimum wage established by the country's laws.

According to media reports, the immigrants who work at mushroom farms, for example, work 110 hours per week, with only two 30-minute rest periods per day. They work without any protection against chemical agents and pesticides used on this crop.

The new immigration measures, which will cost $172.5 million, seek to strengthen border controls, step up the fight against those who bring illegal immigrants into the country, and especially to restrict facilities given to those who ask for asylum. The new law also includes hiring some 600 additional border guards and increasing the force to 5,000 members. It also grants the Immigration and Naturalization Service greater authority to determine who should receive asylum.

The Mexican consul in Los Angeles, Enrique (Elbaeza), said that strengthening border patrols could increase tensions at the border with Mexico. In the last two years, more than 1,200 illegal immigrants have been the victims of abuse by U.S. police and customs officials at the border between Mexico and the United States.

Official reports revealed that immigrants from Mexico and other Latin American nations are beaten up and suffer psychological damage and sexual abuse at various border posts.

Professor Jorge Mancilla, a member of the Mexican-American Political Association, said strengthening the immigration law will not solve the problem but will promote a climate of hatred against immigrants instead.

A country, which promotes itself as the protector of human rights, but does not respect the most elemental rights of citizens who leave their countries of origin in search of better working and living conditions, who mistakenly believe they will find these conditions in the United States.

## Barbados

### Prime Minister, Opposition Leader Meet

*FL0608234793 Bridgetown CANA in English 2112 GMT 6 Aug 93*

[Text] Bridgetown, Barbados, Aug 6, CANA—Barbados' new parliamentary opposition leader Owen Arthur and Prime Minister Erskine Sandiford held their first formal meeting on Friday [6 August] and discussed a range of domestic and regional issues.

A government statement said the issues included industrial relations, national security and crime, the current status of the government's proposal for an incomes policy, and regional integration.

According to the statement, Sandiford urged Arthur to call on him any time there were matters of concern he wanted to discuss.

Arthur, a 43-year-old economist, became opposition leader on August 1 after succeeding Henry Forde as leader of the Barbados Labour Party (BLP). Forde, a former attorney general, resigned last month citing failing health.

## Haiti

### Deputies Form Arbitration Commission To Assist Senators

*FL0608211893 Port-au-Prince Radio Metropole in French 1045 GMT 6 Aug 93*

[Text] There is still no solution to the problem in the Senate office. A new initiative was taken on 5 August by the deputies to try to assist the senators. The deputies intend to go to the bedside of the senators of the Republic. Indeed, an arbitration commission has been formed in the lower chamber for the purpose of trying to find a compromise between the two antagonistic blocs in the upper chamber. The commission, actually led by the Chamber of Deputies president, began basic talks with the senators of both blocs. The message seems to be clearly received by the senators. The first secretary of the office of the Chamber of Deputies set the objectives of the arbitration commission:

[Begin recording in Creole] [Deputy] The Chamber of Deputies finds it scandalous that some senators of the Republic cannot solve a problem among themselves and are obliged to have a foreigner, for instance Mr. Despouy, play the role of mediator, whereas the core of the problem—I do not think that Despouy will come up with new solutions—is that those guys could find ways to finally reach a compromise. That is the basis of their discussion.

The commission includes seven members: Deputy Samuel Milord, Dep. Elie Plancher, Dep. Denis Saint-Fort, Dep. Datus Milcent, Dep. Edmonde Supplice Beauzile, and others.

[Reporter Jean] When will this commission begin working?

[Deputy] In principle, the office gave the green light to the commission to take all the measures to meet with the senators. They are duly mandated by the Chamber of Deputies. [end recording]

That was the first secretary of the Chamber of Deputies speaking of the objectives of the arbitration commission formed on 5 August in the Lower Chamber for the purpose of assisting the senators.

### Dupiton Plans To Resign During 10 Aug Senate Session

*FL0908230193 Port-au-Prince Radio Metropole in French 1800 GMT 9 Aug 93*

[Text] Senator Thomas Eddy Dupiton asserted that he is ready to participate in the 10 August session in the Senate for the formation of a new office. The senator/president of the Senate office controlled by the Alliance for Parliamentary Cohesion intends to solemnly present his resignation to the Senate assembly.

Sen. Dupiton, who had just answered journalists' questions during a news conference, accused legislators of both blocs of violating the New York Pact. The legislator from Artibonite pleaded in favor of returning those elected in

the 18 January elections to parliament if this situation persists. Senator Dupiton says he is ready to participate in the 10 August session.

[Begin Dupiton recording] I am ready to participate, not just attend, but participate as Senate president in order to solemnly give my resignation. Gentlemen, you see I am serious. I cannot do things on a small scale. Therefore, if there is a sector still delaying the normalization process in the Senate, it is surely not the Alliance, but rather, the National Front for Change and Democracy and the presidential commission that violated the New York pact.

### Delpe Rejects ACP Proposal for Reciprocal Concessions

*FL0608213393 Port-au-Prince Signal FM Radio in French 1030 GMT 6 Aug 93*

[Text] The proposal made on 3 August by Senator Julio Larosiliere [of the Alliance for Parliamentary Cohesion, ACP] to his colleagues of the Constitutionalist [Anticorruption] Bloc to begin negotiations for broadening the Senate office with reciprocal concessions was rejected by Sen. Turneb Delpe on 5 August.

During an interview with the Haitian Press Agency, Delpe pointed out the incongruency, according to him, of the ACP members, who first rejected the proposal to broaden the office for the sake of elections but who now reject the elections in favor of the first proposal. The leader of the Assembly of Progressive National Democrats.... [pauses] of the National Democratic People's Party of Haiti stated that we must hold elections instead so a new office can be elected in the upper chamber, and added that his colleagues of the Constitutionalist Bloc do not wish to succumb to the ACP members' blackmail, who keep violating the New York Pact.

Sen. Delpe appealed to the responsibility of the international community to denounce what he calls the thoughtless attitude of the ACP members who continue to block the Senate.

### Delpe, Dupiton Interviewed on 10 August Senate Session

*FL0908214093 Port-au-Prince Signal FM Radio in French 1030 GMT 9 Aug 93*

[Text] On Sunday, 8 August, Senate Provisional President Franck Leonard informed the Haitian nation in a press release that a suitable solution has been found for the formation of a final office in the upper chamber. On the same day, Senator Turneb Delpe announced that negotiations are progressing nicely toward a solution of the situation. He also mentioned that he was unaware that the 8 August session had been postponed to 10 August.

[Begin recording in Creole] [Delpe] I cannot [words indistinct] because the men were negotiating. There because the men were negotiating. There has not yet been a solution because there has not yet been an agreement. However, I know that they were supposed to reach an agreement today.

[Unidentified correspondent] What does it mean to you that today's meeting was postponed?

[Delpe] I do not know, little brother. I tell you I am not aware of this. Look at where I am: it is you who are informing me. [end recording]

For his part, Sen. Thomas Eddy Dupiton says he keenly looks forward to the outcome of negotiations for formation of a definitive office.

[Begin recording] [Dupiton] Personally, I can only hope [words indistinct] toward a suitable solution. A suitable solution cannot help but meet Sen. Dupiton's support.

[Correspondent] The agreement, the agreement [repeats] in the two blocs, what would it be, according to you, Sen. Dupiton?

[Dupiton] I do not know.

[Correspondent] What about the formation of the final office?

[Dupiton] They talked about a final solution, a comfortable solution [words indistinct]. As for me, you know I am there and on watch with all the senators, respectful toward the Constitution and the country's laws.

[Correspondent] Will you be there?

[Dupiton] [words indistinct] is done in accordance with the spirit and the letter of the Constitution and the country's laws. It cannot help but receive my support.

[Correspondent] Well, Sen. Dupiton, you will be at the Parliament on 10 August [words indistinct]?

[Dupiton] I am always in the Senate of the Republic. I am always controlled when there is an uproar, noise, disorder, but insofar as they meet on 10 August for the real purpose of finding this solution that meets with the desires of the Haitian people, Sen. Dupiton will not only be present, but will also participate./

### MPP Supports Aristide, Denounces Intervention

*FL0608222593 Port-au-Prince Radio Metropole in French 1600 GMT 6 Aug 93*

[Excerpts] The Papaye Peasants Movement, MPP, while supporting President Aristide, is opposed to any military intervention in Haiti. [The MPP leader is a member of the presidential commission]. Rothschild Francois reports live from the Christopher Hotel:

[Francois] The Papaye Peasants Movement National Congress, MNPKP, is calling for a rally of people's organizations to face this conjuncture. Unity in difference and mutual respect is the credo of MNPKP. In a press conference at the Christopher Hotel, the organization denounced the Governors Islands Accord, an accord that was, according to MNPKP, the work of the United Nations and their friendly countries. The organization believes that President Aristide finally signed the document to try to save what can be saved within the scope of the negotiations. MNPKP shows its fierce opposition to all forms of

occupation of the country. At the same time, the organization denounces the occupation of Haiti by the Haitian military. [passage omitted]

Chavannes Jean-Baptiste, MNPKP spokesman, also opposes false nationalists in Haiti and condemns the legislators, who are blocking the process leading to democracy in Haiti. MNPKP invites the next government to define the rules of technical cooperation with the international community. MNPKP still believes that the return of Jean-Bertrand Aristide to Haiti on 30 September remains a priority.

Regarding the future government, MNPKP makes a certain number of recommendations to the new power, such as the elimination of the chief of sections system and the creation of jobs. The organization also invites the prime minister to work for respect for human rights in Haiti. According to Chavannes Jean-Baptiste, the Governors Islands Accord is not being respected. Chavannes Jean-Baptiste took the opportunity to denounce rampant repression in the country. For him, national reconciliation is not possible in Haiti so long as repression lasts.

## Trinidad and Tobago

### IDB, Government Sign $80 Million Loan

*FL0708173793 Bridgetown CANA in English 1623 GMT 7 Aug 93*

[Text] Port of Spain, Trinidad, Aug 7, CANA—Trinidad and Tobago's planning and development minister, Lenny Saith, and Inter-American Development Bank [IDB] president, Enrique Iglesias, have signed the contract for two loans totaling U.S.80 million dollars. The money is for "an investment sector reform programme to improve incentives and opportunities for efficient private investment in Trinidad and Tobago," the IDB said. The programme will address specific bottlenecks to private investment in order to promote the private sector as the main engine of growth here.

It has five major components:

A comprehensive divestment programme of state-owned enterprises to increase the scope of action for the private sector. Restructuring the Agricultural Development Bank to improve financial intermediation in the sector and establishing an independent securities oversight agency to increase the resources available for investment. Strengthening the legal and regulatory framework in land tenure, intellectual property rights, trade and customs operations, environmental protection, and tourism to provide clear rules for private investment. A first phase of trade and price liberalization in the agricultural sector. Expanded social services targeted to vulnerable groups and displaced workers to mitigate the short-run social effects of the programme.

The Ministry of Planning and Development will be the executing agency for the programme. Two loans, for $65 million and $15 million respectively, were approved from the bank's ordinary capital for a 20-year term, at a variable annual interest rate, currently at 7.53 percent. Part of the interest on the second loan will be defrayed with resources from the intermediate finance facility.

## Belize

### Foreign Ministry 'Welcomes Clarification' From Guatemala

*FL0908114493 Bridgetown CANA in English 2011 GMT 7 Aug 93*

[Text] Belize City, Aug 7, CANA—The Guatemalan Foreign Ministry has clarified its position on Belize, following an eyebrow-raising statement. Foreign Minister Arturo Fajardo Maldonado, at a meeting of the Guatemalan National Congress this week, reiterated his government's commitment to the recognition of Belize as an independent state and the establishment of diplomatic relations with the Central American nation.

His remarks came after a statement earlier this week by Guatemalan Vice President Arturo Herbruger Asturias. Herbruger had been reported in the Guatemalan press as saying that ex-president Jorge Serrano's recognition of Belize may have been premature. For several months Guatemala had refused to recognise Belize because of a territorial claim to the former British colony. However, relations between the countries have improved.

The Belizean Foreign Ministry welcomed the clarification by its Guatemalan counterpart Friday [6 August]. It said that the clarification to the congressional committee was in line with the official June 28, 1993 presidential declaration that has committed the new Government of Guatemala to uphold and respect the recognition of independent Belize.

### PM Names Envoys; Pursues Conservative Fiscal Policy

*FL0908112993 Bridgetown CANA in English 2054 GMT 7 Aug 93*

[Report by Patrick Jones]

[Text] Belize City, Aug 7, CANA—Belize's prime minister, Manuel Esquivel, has announced diplomatic changes and plans to pursue a "conservative fiscal policy."

In his first address to the nation since his party's June 30 election victory, Esquivel announced that the government had recalled Belize's ambassadors abroad and had proposed replacements for all. Edward Laing is to replace Carl Rogers as ambassador/permanent representative to the United Nations. Dr. Urgula Barrow is to replace Robert Leslie as high commissioner of Belize to the United Kingdom. Barrow will also be accredited as a non-resident ambassador to Germany, France, Belgium, the Holy See, and the European Community.

Alfredo Martinez is to replace Assad Shoman as ambassador to Mexico. Esquivel says the Government of Mexico has approved the appointment of Martinez, who should be presenting his credentials to President Carlos Salinas de Gortari shortly. Dean Lindo is to be Belize's ambassador to the United States and the Organisation of American States, and Atlay Morales ambassador to Guatemala.

The prime minister also said that with the troubled state of the nation's finances, his government would pursue "a conservative monetary policy and fiscal restraint." The overall deficit, he said, stood at Bel. 23.3 million dollars—8 million dollars worse than it was on June 30, 1992. Current expenditure, he said, stood at 99.6 million dollars (1 Bel. dollar = about 49 U.S. cents), almost 24 million dollars greater than a year ago, while the current account surplus stood at 29.7 million, 5 million less than it was a year ago.

"This lower surplus, together with a 9 million dollar reduction in capital revenue, has fallen 23.3 million short of money spent on projects to date, hence the 23.3 million deficit," said Esquivel.

To close the gap, Esquivel charged that the previous administration had to rely on borrowing from the Central Bank and other sources and that a review of unfinished projects with binding contracts and foreign funded projects for which Belize must find matching funds, indicated a need for an additional 28.5 million dollars for the rest of 1993. Esquivel said that the problems created by this situation were being aggressively addressed by government.

"The solution clearly must be found in a conservative monetary policy and fiscal restraint on the part of central government. Our commitment is to pursue a policy that will protect our foreign reserves, keep our dollar strong, and promise confidence in the economy," Esquivel said.

The prime minister said he would keep a promise to the electorate of free secondary school education. "I am happy to be able to announce at this time," he said, "that, when our high schools open later this year, all students from first to fourth form will pay no tuition."

Esquivel also reported that government had examined the cost of school books and was convinced that the solution to the problem would be all schools adopting a common book list. "Once there can be agreement that books would be used for a reasonable number of years, government would be willing to provide a national book rental scheme that would slash the cost of books in a dramatic way," Esquivel said.

## El Salvador

### Cristiani Denies FMLN Members' Extradition to Nicaragua

*PA1008044593 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 9 Aug 93*

[Text] President Alfredo Cristiani on 9 August denied the possible extradition to Nicaragua of two FMLN [Farabundo Marti National Liberation Front] officials, who are linked to a weapon cache found in Managua in May 1993.

During his regular Monday news conference, the president said the government will continue to act within the constitutional framework with regard to the FMLN weapons. In this sense, Cristiani denied the possibility of extraditing

Facundo Guardado and Salvador Samayoa to neighboring Nicaragua, which has issued arrest warrants against the two FMLN members.

On the same topic, the president stated that the government awaits the UN Observers for El Salvador's [Onusal] forthcoming report on the last FMLN weapon inventory, which should have been completed on 4 August. According to Cristiani, Onusal chief Augusto Ramirez Ocampo is expected back in El Salvador on 9 August. Ramirez Ocampo is to report the UN secretary general's position on the inventory to the president and the FMLN.

### Defense Ministry Denies Military Backs Armed Groups

*PA1008034393 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 9 Aug 93*

[Text] The Defense Ministry on 9 August denied that the armed groups operating in the former strife-torn areas are coordinated by the Army's intelligence organization. Official sources said the statements made by Miguel Saenz Varela, a Farabundo Marti National Liberation Front [FMLN] leader, on the morning of 9 August, where irresponsible. Saenz Varela stated that military intelligence or counterintelligence controlled groups of assailants.

According to the official version, the Defense Ministry will ask Saenz to present evidence to this effect. It also accused the FMLN of carrying out a smear campaign against the military institution.

### FMLN Official Says U.S. Troop Arrival Violates Constitution

*PA1008043193 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 9 Aug 93*

[Text] Milton Mendez, a Farabundo Marti National Liberation Front, FMLN, official, has asserted that the arrival of U.S. troops in the country to participate in joint exercises with the Salvadoran Armed Forces violates the Constitution of the Republic. According to the FMLN official, there is no political or legal need for U.S. troops to invade Salvadoran territory as the peace agreements stated that it is necessary to demilitarize society to consolidate peace in the country.

Approximately, 400 U.S. Army soldiers will participate in joint civic and military operation called Strong Roads, which will end in December 1993.

Milton Mendez has stated that the repression carried out by the Armed Forces was one of the reasons that triggered the armed conflict in the country. He added that President Alfredo Cristiani's government attempted to return to the past by allowing U.S. troops to enter the country. Authorizing the U.S. Army to enter our country is a political symbol for the Salvadoran Armed Forces and the Nationalist Republican Alliance since by they show that they have won the war and continue to control society in relation to the 1994 elections, Mendez added.

## Honduras

### 'Uprising' Reported in Armed Forces

*PA0908215593 Tegucigalpa Voz de Honduras Network in Spanish 1950 GMT 9 Aug 93*

[Report by Nery Arteaga, Lucia Alvarado, and Danilo Izaguirre; including recorded interview with Brigadier General Reynaldo Andino, chairman of the Honduran Armed Forces Joint Chiefs of Staff, by Danilo Izaguirre in Tegucigalpa—live]

[Text] [Arteaga] We have a last minute report. A difficult situation has arisen in the Armed Forces because the officers's goals have been unfulfilled. Division General Luis Alonso Discua Elvir is accused of refusing to allow the rotation and promotion of high-ranking Armed Forces officers. We are in a position to offer you details of what is occurring in the Air Force. Lucia Alvarado will have a brief report and then we will contact.... [pauses] Lucia, before you begin, we have Danilo Izaguirre on the line with Brigadier General Reynaldo Andino [chairman of the Armed Forces Joint Chiefs of Staff]. Come in, Danilo.

[Izaguirre] Thank you, Nery. We are here with Brig. Gen. Andino Flores. Our fellow worker, Lucia Alvarado, says she has some information but we will first hear Brig. Gen. Andino because we were talking precisely about the Armed Forces situation. What is the extent of this situation and how do you view it?

[Andino] Danilo, Danilo.

[Izaguirre] We are on the air, General.

[Andino] Could you wait a while?

[Izaguirre] Perfect. Over to the main studio.

[Arteaga] All right. We will hear what Brig. Gen. Andino has to say in a while. Lucia, what is taking place within the Air Force?

[Alvarado] It seems.... [pauses] Nery Arteaga, HRN listeners, it has been reported that the eighth graduation class does not exactly agree with the current Armed Forces leadership. Hence, an uprising has occurred within the Honduran Air Force. The conflict has arisen now that the current Armed Forces commander, Div. Gen. Luis Alonso Discua Elvir, is out of the country. This has resulted in an emergency meeting at the Armed Forces to control the situation that has arisen within the corps now that, as I said, Div. Gen. Discua Elvir, the Armed Forces commander, is out of the country. This is the information that has circulated....

[Arteaga, interrupting] Lucia, what we hear is that the Air Force facilities have already been taken over.

[Alvarado] Nery, I am about to go to the Air Force facilities right now because this has become a strong rumor in Tegucigalpa, due to certain actions that are reportedly taking place within the Armed Forces. The Armed Forces leadership has called an urgent meeting.

[Arteaga] Lucia, we have learned there have been some problems within the Armed Forces, and Div. Gen. Discua is accused of delaying the appointment of certain officers in the logical rotation, which occurs every year within the military corps.

[Alvarado] That is what has been reported, Nery. Whenever Div. Gen. Discua is interviewed, he is generally asked about this situation, which is constantly reported by certain groups in our country, meaning a group of Armed Forces members do not exactly agree with the way in which the Armed Forces situation is being handled, particularly concerning promotions. It is currently said the eighth graduating class reportedly disagrees with certain actions and requests reforms in all the four Armed Forces branches—the police, Air Force, Army, and Navy. That is the information we have right now, Nery. Like I said before, I am about to go to the Air Force to learn what the true situation is there, even if I can only report from outside, because I do not think we will be allowed access to the facilities.

[Arteaga] Thank you, Lucia, for this preliminary report we have just offered on HRN. We have received various telephone calls to report a rebellion has occurred at the Air Force facilities. Danilo Izaguirre has managed to talk with Brig. Gen. Reynaldo Andino Flores.

[Izaguirre] Brig. Gen. Reynaldo Andino Flores. He is chairman of the Armed Forces Joint Chiefs of Staff. He is directly involved in the situation because Div. Gen. Discua Elvir leaves him in charge when he leaves the country on official missions.

[Arteaga] [Words indistinct]

[Izaguirre] He is legally the Armed Forces commander right now. He is chairman of the Armed Forces Joint Chiefs of Staff. Rumors indicate....

[Arteaga, interrupting] You were about to interview him when we announced the information, which is why we must specify he opted not to act irresponsibly. He preferred to hang up and try to find out what is happening.

[Izaguirre] Correct. He said he would grant an interview because we were in the middle of an interview to discuss the latest rumors. We were talking precisely about that when Alvarado came in and reported about the Air Force situation. He said: I do not want to act irresponsibly. Let me investigate and I will let you know or you can call me later on during the newscast. Let us hear what he told me during the interview about the alleged crisis in the Armed Forces.

[Begin recording] [Izaguirre] I am with General Reynaldo Andino Flores, commander [as heard] of the Honduran Armed Forces and chief of the Joint Staff. General, a conflict has been reported among the members of the eighth graduating class, who demand their share of power and threaten to bring up some other things that we will analyze in the course of the interview.

[Andino] Danilo, most of those reports are only speculation. There is no conflict or pressure. In addition, no power sharing corresponds to this or that promotion. The chain of command is vertical. The one at the top holds the command and the ones under him obey him. The president of the Republic is ultimately the Armed Forces commander in chief and Gen. Discua Elvir holds the direct command, according to the Constitution. Below him, all of us are subordinates. In addition, each one has his own responsibility defined by his post. No power sharing is involved because the command and power are not shared. The power and command are held by the legal authority, this is to say, the commander in chief.

[Izaguirre] Where do you think this report about dissatisfaction in the Armed Forces originates, General?

[Andino] Most of the officers and myself are concerned about these reports. The Armed Forces are currently a subject these days. We would like to be able to devote all our time to our duties as military men so we can make the Armed Forces into a stronger, more united, and more reliable institution for the good of the Honduran people. We have a clear understanding of the mission entrusted to us by the Constitution. We will be able to meet the people's needs to the extent that we can devote more time to the functions established by the Constitution. I don't know the origin of these groundless rumors. I can assure the people there is nothing to these reports.

[Izaguirre] General, this means the chain of command and rank in the institution are being respected and that there is no conflict.

[Andino] Absolutely no. At the Joint Staff, we are completing a report which will definitively establish each person's position in his....

[Izaguirre, interrupting] General, excuse me, I must now interrupt this interview. [end recording]

[Izaguirre] Attention, this is the interview we held with Gen. Andino. Attention listeners of Voz de Honduras. It has just been reported that the Armed Forces' Higher Council has been called to an urgent meeting.

## FMLN Spokesman Charges Army Sold Weapons to Ex-Rebel Group

*PA1008003693 Tegucigalpa EL HERALDO in Spanish 7 Aug 93 p3*

[Text] The Honduran Armed Forces sold weapons to the Farabundo Marti National Liberation Front (FMLN) in the past decade while a bloody strife raged in El Salvador, charged FMLN spokesman Juan Ramon Medrano, who called Honduran radio station Radio America directly from San Salvador. The former guerrilla group has now become a political organization. The rebel spokesman said that the purchases were made through Salvadoran "third parties," namely arms dealers with contacts in Honduras. He added that he had no information on the names of the Honduran officials who were involved in the sale of the war materiel to the FMLN. He also said he could only state that "we purchased many weapons in Honduras."

Those weapons, he said, were taken to El Salvador "through Morazan, La Union, Cuscatlan, and Chalatenango Departments." He added that he only remembered the name of Gustavo Alvarez Martinez, the Armed Forces chief at the time when the purchase operations began. Alvarez headed that institution from 27 January 1982 to 31 March 1984.

Medrano reported that the purchase of weapons from the Armed Forces "continued after" Alvarez was ousted following the barracks coup of 31 March 1984. General Walter Lopez Reyes assumed the leadership of the military institution in February 1986 and after him came General Humberto Regalado Hernandez.

Although he was not involved in the purchase of war materiel after 1984, Medrano said, "I can assure you we purchased weapons directly from them, not only from the Salvadoran Armed Forces but also from the Honduran Armed Forces and even from the U.S. Army directly. That is a fact," he concluded.

### Armed Forces Deny Report of Selling Weapons to FMLN

*PA1008003893 Tegucigalpa El HERALDO in Spanish 7 Aug 93 p 3*

[Text] The Armed Forces on 6 June rejected a report by a spokesman of the Farabundo Marti National Liberation Front (FMLN) of El Salvador that Honduran soldiers sold weapons to the former rebels during the civil war that ended officially in January of 1991.

Colonel Napoleon Santos Aguilar, Armed Forces spokesman, said that this information "has surprised us a great deal."

According to Santos, these statements are the product of the "somewhat difficult situation the FMLN is experiencing" as a result of its transition to become a political party.

Among the problems the FMLN is facing, Santos mentioned the international reports that the former Salvadoran guerrillas have at least 41 caches of weapons in Nicaragua and Honduras. Reports they have been unable to explain.

He said that the Armed Forces are guided by their own laws and regulations, which establish sanctions against soldiers who sell weapons belonging to the state.

"We absolutely deny that report by the FMLN," the military officer stated, but he added that no complaint will be presented because of the report, as it is the product of the problems the FMLN is facing.

Santos also ruled out the possibility that certain officers of the Honduran Armed Forces could have sold weapons to the FMLN behind the backs of top military officers.

"There is absolutely no chance that individuals may sell or trade or do anything with weapons that do not belong to them, because it would be a crime punishable by the Military Code or Civil Code," the Armed Forces spokesman concluded.

## Nicaragua

### Chamorro Calls Cabinet Meeting To Discuss H. Ortega

*PA0908191593 Managua Radio Corporacion in Spanish 1030 GMT 9 Aug 93*

[Text] The cabinet has met to find solutions to national problems and one of the basic topics discussed was whether to fire Humberto Ortega, who together with [Chilean General Augusto] Pinochet, is one of the longest-serving military leaders on the American continent. There is word that Lenin Cerna has been sent to Spain as military attache. Now there are rumors that Humberto Ortega will be fired, although Tomas Borge has said that Ortega cannot be removed from office.

The Nicaraguan president, who returned from Washington somewhat annoyed, summoned her cabinet to explain serious U.S. warnings about Humberto Ortega's continuing position. Although no departure date is known yet, it may happen soon to make way for the arrival of dollars that support this country, despite the fact that the foreign minister said a few days ago that Nicaragua does not accept any outside pressure.

It is not known how much the government will pay to fire Ortega but the general consensus is that he should leave immediately. He should leave now!

### Deputy Foreign Minister Denies Purchase of Gunships

*PA0808202393 Managua BARRICADA in Spanish 7 Aug 93 p 4*

[Article by Maria Alicia Talavera]

[Text] On 6 August, Deputy Foreign Minister Jose Pallais said that Colombia has never informed Nicaragua of the purchases it makes or the contracts it signs so why should Nicaragua have to inform them?

This was the official government response to news reports dated 6 August and datelined Santa Fe de Bogota in which the Colombian Foreign Ministry said that it is waiting for confirmation or denial from the Nicaraguan Government of the alleged purchase of war material to be used allegedly to patrol Nicaraguan territorial waters.

Pallais added that Nicaragua "promotes a process of reduction of soldiers and weapons in Central America and it is only committed to negotiating a balance of forces with the Central American countries."

The reports from Colombia cite Managua press sources as reportedly saying that Violeta Chamorro's government purchased from the DPRK two speedboats capable of carrying four missiles each and that these vessels are to be sent into the waters around San Andres Island, which Nicaragua is claiming and which Colombia claims as part of its territory.

On the night of 6 August, Nicaraguan military sources said they were not aware of "press sources" quoted in the news

reports. They added that it is no secret that the Sandinist People's Army (EPS) cannot purchase the vessels because it has budget problems.

The sources added that 80 percent of the Navy's equipment was destroyed by Hurricane Joan in October 1988 and, for the time being, there are no plans to purchase new equipment. The sources reiterated, however, that it is necessary to purchase equipment to protect natural resources.

Rights over the San Andres Archipelago, located approximately 280 km off Nicaragua's Caribbean coast, were given to Colombia in 1928 through the Barcenas-Meneses-Esguerra Treaty. In 1980 the Nicaraguan Government junta declared the treaty null.

In the past few months Nicaragua has said that it might take this matter to the International Court of Justice in The Hague, but Colombian Foreign Minister Nohemi Sanin has said that her country "will not surrender an inch to Nicaragua."

### Report on FSLN Board Member Interview

*PA0808221293 Managua EL NUEVO DIARIO in Spanish 5 Aug 93 p 2*

[Report on interview with Bayardo Arce, Sandinist National Liberation Front, FSLN, Directorate member, by Edwin Sanchez; place and date not given—all quotation marks as published]

[Text] NOTE: The following is an interesting interview with Bayardo Arce, although at the last minute I was informed that he was not authorized to conduct negotiations outside the Sandinist National Liberation Front [FSLN] leadership organizations.

That [Managua mayor] Dr. Arnoldo Aleman and Commander Daniel Ortega should sit down and talk does not mean Santo Domingo has made a miracle happen in August. "It is necessary," FSLN Directorate member Bayardo Arce stressed, for everyone to talk and understand one another. "We can no longer continue walking toward the abyss."

The FSLN, as such, has not lost touch with the other political forces. Thank heaven the Sandinists listen to certain voices in the National Opposition Union [UNO], which contrary to the hard-line position of the past, advocate a change: getting along with the controversial revolutionaries. In the past, all of the UNO leaders wanted to reach agreements with the government and later, if there was time, with the Sandinists.

Bayardo acknowledges that the UNO and FSLN are the two leading forces in this country. Therefore, why not talk? The time to begin "direct formal negotiations" is right around the corner, he said. "We agree at least in our concern over the country's problems and on ways to find national solutions for those problems," Arce said. All of this was expressed while we explored the possibility of direct negotiations between the UNO and FSLN, Arce said, adding that Dr. Aleman himself has proposed dialogue with the Sandinists.

Arce adds that since its March assembly the FSLN has been willing to "reach a national understanding with all the political and social forces; and when, following the assembly, we sent an economic proposal to the government, we also sent copies to the UNO, the Higher Council of Private Enterprise, and other forces."

[Sanchez] UNO's main attraction lies in constitutional reforms; which will be the first topic on the agenda?

[Arce] Our main concern is the economic situation and if we expressed the need for constitutional reforms or for the formation of a government of national unity, it was inspired by our concern for the growing economic crisis and the need to resolve it. The government has been unable to achieve adequate solutions.

Bayardo confirmed that UNO leaders agree with the constitutional reforms but there are other issues such as reducing Mrs. Chamorro's term, which is not widely supported.

The FSLN, in calling for a government of national unity, explains that the current authorities can complete their terms and, Arce said, it is up to the government to take the initiative to promote this effort.

He explained that the proposal includes the establishment of a foundation program. "At the outset we did not give any thought to sharing cabinet positions; first, the economic policy must be corrected, the state must be modernized through constitutional reforms, and the property problem must end." The FSLN is most interested in having these three points on the agenda with its interlocutors.

In Arce's opinion, the solution of all these problems should be the result of a national consensus to create a new program that will include the entire nation. This means "talking with everyone, even the government."

Arce observed that if this government refuses to assume an initiative of this sort, then "obviously the other political, economic, and social forces, especially UNO and FSLN, which are the country's leading forces, must seek solutions. After all is said and done, it is the nation that is at stake."

[Sanchez] Agreements despite radical language? How will unity of action be possible?

[Arce] I do not believe we can talk of unity between the UNO and FSLN because that would be somewhat Kafkaesque. What we could promote is a national alliance in which we would attempt to identify our points of consensus for the nation's good. Our forces would obviously preserve their identities and even their differences.

He took it for granted that there are points "it will be difficult to agree on," but it is urgent to find "concurrences."

One of those concurrences is to seek a viable solution to the country's problems based on the laws, "because constitutional amendments are pointing toward rebalancing the state branches, redefining the functions of those branches, in short, toward the further democratization of decisions made, mainly those that deal with the country's economic and social situation, as this process is heavily concentrated in the Executive Branch."

"Concurrence," he added, "means they are now saying we have to make changes, since before they were saying they should not even talk to us...."

The aperture the FSLN announced a long time ago considers doing a review "based on their 17-point agenda to amend the Constitution. We presented general ideas because of the existing polarization; if we said the constitution had to be yellow, others would say blue."

Arce stated that if there is something he is convinced of it is that the crisis has reached such a profound level and that without an authentic national consensus it would be "difficult to solve it, especially if the U.S. Senate resolution becomes a law passed by the Congress." The aid suspension would entail a substantial cut in foreign cooperation to the country, "which has an economic activity that is 75 percent dependent on that aid."

[Sanchez] The statement by the 29 FSLN leaders says no to war, blames the government for what happened in Esteli, and supports amnesty. Is it possible that in the politically charged atmosphere of Nicaragua those steps can be taken to reach a consensus?

[Arce] I saw in the statement, which I agree with in general, a qualitative leap toward this goal. I agreed with the diagnosis, but felt it lacked some ideas as to what to do. It talked of rejecting violence and supported specific steps to bring peace to the country. The most substantial thing is that it mentioned the need for national understanding.

[Sanchez] Do conditions exist for a national understanding?

[Arce] From an objective standpoint, those conditions have begun to be created in an accelerated fashion. The problem is that the crisis we are experiencing is so deep that maintaining to the very end differences and political rivalries would be senseless at a certain point. It is so because if things continue as they are any political force that would win the 1996 elections would find a country totally in ruins and ungovernable, and it would not be attractive for any political party to reach power.

He believed we have politicians from different sides of the ideological spectrum who are "sufficiently mature and sensible to shape the future toward which we are heading." "The country must not continue toward this abyss," he stated.

Along these lines, he stressed it is not even possible to talk of the narrow concept of those who think: And what if things work out? Will not the government win all the voters?

"Magic results cannot be achieved in two years given the extent of the damage and the drop the country has experienced since Mrs. Chamorro took office," he said.

[Sanchez] The violent language used by the leaders from either side makes people wonder how the Sandinists can possibly sit down for talks with Managua Mayor Arnoldo Aleman? It is surrealistic.

[Arce] It is possible, and I would say necessary (to sit down for talks). As some foreign observers and diplomats are saying, it frightens them to see the dual nature we, Nicaraguans, have.

Arce also said "political speeches are often harsh, exclusionist, filled with very strong epithets, however, this is not the dynamics they see in the private talks."

In fact, we coexist in social and labor terms, but the minute someone sees a camera, a tape recorder, or newspaper reporter, "then he begins a diametrically opposed speech."

The Sandinist leader said "besides this definitely surrealistic element and admitting we have objective differences of appreciation—UNO does not agree with some ideas (changes in favor of the majority)—that does not mean we have to kill each other over that."

Arce feels it is important to give the people a role to play. Since everybody talks about the people, then let them be the big referee, let them express themselves at the polls and make their choice.

"That leap toward a civic spirit and democratic coexistence is what is necessary, and what I regard as possible. If I thought no agreement was possible because of all the pompous speeches one hears that would mean we are doomed to disappear or to disintegrate."

"We are dependent on the international community and we do not believe that community will continue pouring resources into a bottomless pit, considering the need in former socialist countries and Africa," he indicated.

Perhaps the first step for those making politics a way of life is what Arce mentioned: Let us change the way we do politics."

### Cosep President Interview on Issues

*PA0908210093 Managua Telenica Canal 8 Television in Spanish 0100 GMT 9 Aug 93*

[Interview with Ramiro Gurdian, president of the Higher Council of Private Enterprise, Cosep, by Carlos Briceno, host of "Porque Nicaragua Nos Importa" Program, in studio in Managua—live]

[Excerpt] [Passage omitted] [Briceno] Ramiro, let us assume for a second that Antonio Lacayo and General Ortega leave office. Nonetheless, there is a military structure in place that will allow the Army to continue to be party oriented. The National Assembly and the (?Constitution) will continue to be basically in the hands of Center Bloc and Sandinist deputies....

[Gurdian, interrupting] No....

[Briceno, interrupting] International aid....

[Gurdian, interrupting] No, no, no. Wait a minute. You are assuming that Lacayo and Ortega will leave and nothing will change. No, no no.

[Briceno] International aid, for example.... [pauses] I mean, we will receive a large amount of aid soon. I mean that the problems will not necessarily be resolved in six months in this country with the departure of Antonio and Humberto.

[Gurdian] This is not what we think. What we believe is that if these two people leave the government there is a chance to resolve all the problems. For us, they represent 60 percent of the problem but there is 40 percent still to be solved.

What Cosep [Higher Council of Private Enterprise] wants is to establish a state of law in Nicaragua. What is a state of law for us? We have been asking, in the famous five-point demand made by Cosep, that the Assembly problem be resolved. Antonio Lacayo said that we are interfering in politics. This is the difference between politics and non-politics.

We are not saying that they should appoint John Doe as National Assembly president. That is a problem for the political parties. But we, as the private sector, argue that that Assembly cannot continue to operate in that manner. They cannot pass laws with an Assembly Board that is being questioned. The Assembly has not operated normally since 2 September because first the Sandinists deputies and later the UNO [National Opposition Union] deputies walked out of the Assembly. Just look at how the police took over the Assembly militarily.

We are calling for a solution to the Assembly problem. And who would resolve this situation? The political parties. We do not meddle in this. We are not deputies. It is a duty of the political parties to solve this issue but we must point out the problems.

Then we have the problem of the Supreme Court of Justice. We have just seen that the Supreme Court of Justice.... [pauses] for instance, let us recall the alleged attempt against Humberto Ortega, which will allow you to see the problems the Army is facing. The Army, a supposedly responsible institution, reports there is an attempt against Humberto Ortega. They accused the contras, recontras, members of the 3-80 Northern Front of being involved in the alleged attempt against Ortega, and later a group in Miami. The Army issued an official communique involving even me in this plot. It turns out later that those involved were two former soldiers, as always, active retired [as heard] Army members are involved in this plot. To the present, I do not know what active retirement means. They went to court and said they took part in placing the bomb at the tomb of Carlos Fonseca and the destruction of the Mayor's Office. However, in less than seven days they are freed. This is part of the Judicial Branch's problem.

The Judicial Branch must be restructured. Really, people have no confidence in the Judicial Branch.

Then you see the problem with the Executive Branch. This is what we are talking about. The Executive Branch has misled the government. And it must not include Sandinists. This is what the people voted for. Therefore, the Executive Branch must be reorganized.

We also have the cases of the police and the Army. There was a reorganization of the police. Many people still complain about the police; others say that police efficiency has improved. But the Army lacks responsibility, as I just told you. It issued a long communique on a big plot against Humberto. Then, two people are accused for it and are later set free. The Army definitely lacks responsibility. It does not project.... [pauses] In addition, I have said in the past that Humberto Ortega has two armies. I said this in April of 1992. He has two armies, namely the official Army and the active retired military officers.

They cannot tell me the story that they did not know about the affair in Esteli because they did. Even we knew about it. Even the television [word indistinct] reported on 7 July that a commission from Esteli said that Pedrito El Hondureno was taking over the farms, stealing cattle, and claiming they were going to take over Esteli. These gentlemen came in trucks on the main road to take over Esteli. There was even the wife of the ambassador [words indistinct] in the group. For God's sake! [passage omitted]

## Cosep Leader Calls for Lacayo, Ortega To Step Down

*PA0908202393 Managua Telenica Canal 8 Television in Spanish at 0100 GMT on 9 August [tentative]*

[Interview with Ramiro Gurdian, president of the Higher Council of Private Enterprise, Cosep, by Carlos Briceno, host of the "Porque Nicaragua Nos Importa" program, from the studio in Managua—live]

[Text] Briceno introduces Gurdian as the latest person to be declared persona non grata by the Nicaraguan Government because Cosep has called for Presidency Minister Antonio Lacayo and Sandinist People's Army General Humberto Ortega to step down. Gurdian comments on the government's reaction to the Cosep request, saying: "First of all, we are not doing this as a matter of politics or as politicians. We are doing it as businessmen. We believe the mismanagement of the government causes unemployment, low production, lack of investment, and undermines the country's economic development.

"For us, these are strictly business positions. We say Humberto Ortega has to go because of the lack of security all citizens feel due to what he represents. I believe Humberto Ortega should understand that it is enough already.

"I am willing to try to convince him, talk to him if necessary, to state my arguments and ask him to, please, for his own good, for the well-being of Nicaragua, of the Sandinist National Liberation Front, of everyone, to please step aside."

Briceno asks Gurdian why Cosep insists that Lacayo step aside even though President Violeta Chamorro has said

that if that happened she would leave too. Gurdian replies: "I do not want to jump the gun regarding Mrs. Chamorro's position. We had never asked for Antonio or Humberto's dismissal. It was UNO [National Opposition Union] and other organizations that every once in a while asked for that. They would ask, then they would stop asking, then they would ask again. We never asked this. Our position is very firm. We firmly believe that it is necessary that both these persons should step aside.

"About 18 months ago she mentioned that if Antonio left so would she and I believe conditions have changed since then. The dilemma the Nicaraguan Government now faces is definitely different than what it faced 18 months ago. At that time, the Nicaraguan Government had plenty of air to breath. I believe that the international community has realized, as well as many people, organizations and government representatives, and I say it sincerely: Antonio Lacayo has a very bad reputation. He lacks credibility. I do not believe that if Antonio Lacayo remains at the helm of the executive branch he will accomplish anything.

"Mrs. Chamorro has to understand that this is not simply a whim either of Ramiro Gurdian or Cosep. Instead, we are being realistic. It is not that we seek revenge against Antonio Lacayo. This is not the case. We are friends of Antonio Lacayo and as his friend we believe that he should leave."

Asked what Cosep believes would be the outcome of Lacayo's and Ortega's resignations, Gurdian says that Cosep believes the country's politicians should solve its problems and guarantee a state of law. The people do not trust the legal system and have no faith in the police, he says.

Briceno asks Gurdian to assess Lacayo's emotional stability and perception of reality. Gurdian replies: "I am concerned with the fact that he is not living in reality. I am more concerned with what he did during the week. He is supposedly on vacation, he returns, and immediately goes against Cardinal Miguel Obando y Bravo. He already has enough problems. Mrs. Violeta had handled the affair effectively and discreetly. But to attack the cardinal! For God's sake, I do not believe.... [pauses] I believe he is under a lot of pressure, that he is very tired. Because of all of this, we believe he is tired and exhausted. We believe he should retire. Whether he retires, gets a silver tray, silver stairs, or is sent as an ambassador somewhere, or returns to his farm, or whatever, there is no way he can continue in his current position. No way. That is a fact and a very objective fact. We believe that he is harming Nicaragua. It is for his own good as well for that of his family and President Violeta. We are calling on him to please step down."

Briceno asks Gurdian if he considers himself a candidate for office. Gurdian replies that it is a long time until 1996.

## Norway To Continue Cooperation Program

*PA0708234293 Managua Sistema Nacional de Television Network in Spanish 0230 GMT 4 Aug 1993*

[Text] Presidency Minister Antonio Lacayo and Norwegian Development Aid Minister Kari Nordheim Larsen held a working session the afternoon of 4 August to determine the objectives of Norway's cooperation program, which will remain at the 1993 level; that is, between $25 and $30 million a year. Nordheim Larsen announced in her meeting with Presidency Minister Lacayo her government's decision to continue the cooperation program with Nicaragua, especially in such areas as agricultural development, natural resources management, and human resources development. Nicaraguan officials also briefed the Norwegian minister on the economic situation in Nicaragua.

[Begin Nordheim recording, in Norwegian with simultaneous translation into Spanish] Our [word indistinct] with Nicaraguan officials have been very [word indistinct], and the information they have given us regarding the situation in Nicaragua has been very useful. In answering your question on our assessment of the policy being implemented in Nicaragua, I have said that Norway supports the government in [word indistinct] and the importance the government gives to achieving peace and stability as a requisite to attaining economic development and the necessary social advances. [end recording]

Nordheim stated that Nicaragua is one of 11 countries that has a privileged position regarding Norwegian cooperation.

[Begin Nordheim recording, in Norwegian with simultaneous translation into Spanish] I want to clarify that not too many countries are in this category. There are 11 countries worldwide that are in this category, which shows we believe in the growth prospects of these countries; therefore, we also believe in the growth prospects of Nicaragua. [end recording]

## Ortega Urges Nicaraguans To Reject U.S. Senate Amendment

*PA0808222593 Managua Canal Cuatro Television in Spanish 0300 GMT 6 Aug 93*

[Text] On 6 Aug, former President Daniel Ortega visited Esteli to meet with councilmen, deputies, mayors, members of the Armed Forces, organization leaders, members of the Sandinist National Liberation Front [FSLN], and residents to exchange views concerning the situation in the department following the events of 21 July. Former President Ortega also visited [words indistinct]

Ortega said in Esteli that the Nicaraguan people should be united at this time when once again bad U.S. policies are threatening the entire country with a blockade and an economic embargo, in keeping with the amendment approved by the U.S. Senate on 28 July. The Sandinist leader said this measure will affect every sector of the nation and will cause greater suffering to the Nicaraguan people. He added that the Nicaraguan people must make the maximum effort to unite and counteract the measure, which will soon be debated in the House of Representatives [12-second break in reception].

[Begin Ortega recording] This policy should be rejected by all Nicaraguans, who should defend the Nicaraguan people's right to not only receive the (?crumbs) that the

Americans have been providing but to receive compensation from the U.S. Government. [end recording]

The former president said that we must deal with the serious economic crisis the country is facing on the domestic front by debating and discussing the formation of a government of national unity.

[Begin Ortega recording] This effort should be based on [words indistinct], the modification of current economic policy, the definitive solution of the property problem, and the transfer of some of the Executive Branch's power to negotiate and reach agreements with international organizations to the National Assembly. [end recording]

The FSLN secretary general urged the Sandinists to regain the spirit with which the revolution's 14th anniversary was commemorated on 19 July. He said 19 July must be saved as a symbol of the unity and fighting spirit of the FSLN and the Nicaraguan people

[Begin Ortega recording] The FSLN is the symbol of unity, brotherhood, fighting spirit, and strength of Sandinism. [end recording]

Regarding the latest statements by the Higher Council of Private Enterprise and the National Opposition Union [UNO], which have requested the dismissal of Engineer Antonio Lacayo and Army General Humberto Ortega, former President Ortega said the request is not aimed at resolving the country's current crisis. He denied that talks are under way between the FSLN and UNO. Regarding amnesty, he said the FSLN's position is that it should apply to everyone without distinction.

## Argentina

### Castro Criticizes Menem's Stand on Cuba

*PY0908200993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1802 GMT 8 Aug 93*

[Text] Buenos Aires, 8 Aug (NA)—Cuban President Fidel Castro has responded to the criticisms of his Argentine counterpart, Carlos Menem, by saying that "now that we are suffering attacks and slander it would not be bad to recall what the Cuban position was" during the Malvinas war.

Referring to the controversy created by Menem's comments during the latest Ibero-American Summit, recently held in Bahia, Brazil, Castro said: "One of the reasons why we did not want to answer the attacks was because we did not want to play the U.S. game and that of the Argentines who wanted us to get involved in a rhetorical and verbal war."

In comments made to the La Boca FM station that were transcribed in today's issue of PAGINA/12 Castro said: "Had we been involved in a verbal war millions of Argentines could have been confused by saying that Cuba is against the Argentine prestige, and the Argentine interest in becoming a member of the UN Security Council."

Castro pointed out: "Governments pass and the people stay, and we are much more interested in relations with the Argentine people than with the government."

Castro also revealed that when the Argentine troops surrendered to the British forces in the Malvinas Islands in June 1982, Cuba proposed that "every brother country" of Latin America send a batallion to Argentina to fire from the continent at least "a cannon ball every five years" against the island.

Castro added: "The British could not have stood that situation of confrontation with the entire continent."

Castro also said: "If the military leaders in charge of Argentina had the necessary courage, the historic sense, and the necessary military honor, they would not have surrendered and made peace so soon, and would have won the Malvinas war without firing a single shot simply because of the Latin American union."

Castro then criticized the foreign policy of the current Argentine Government by saying that "Argentina has gone through a great change" because "the Malvinas war was not yet even over and Argentina was already in the Persian Gulf along with the British ships shooting at another country that is very far away."

Regarding Cuban support for Argentina taking a seat in the UN Security Council, Castro said that his country will continue with the same policy because it does not want "to establish a precedent that when there is consensus in Latin America we sabotage the plan."

It has also been learned that Alberto Kohan, secretary general of the Argentine Justicialist Party, met with Castro during the recent visit to Bolivia as part of President Menem's delegation to attend the inauguration of Bolivian President Gonzalo Sanchez de Lozada.

## Bolivia

### Castro To Visit Santa Cruz Before Departing

*PY0908133593 La Paz Radio Fides Network in Spanish 1100 GMT 9 Aug 93*

[Report by Marcelo Huanca from Santa Cruz ]

[Text] Cuban President Fidel Castro will visit Santa Cruz today for the first time. Castro will speak from the balcony of the prefecture. The local union federation was informed that Castro will arrive at noon [1600 GMT].

Castro, who will arrive at about noon today, will then go to the 24 September park to place a wreath at the monument of (Ignacio Arnez). Then after holding a meeting with the departmental prefect, Castro will deliver a farewell speech from the prefecture's balcony. This information was provided by (Jesus Borobi), executive board member of the Santa Cruz Labor Federation, who also reported that a rally is being prepared for Castro's arrival at Viru-Viru International Airport.

### Castro Leaves for Cartagena, Havana; Talks to Press

*PY0908200793 La Paz Television Nacional Network in Spanish 1700 GMT 9 Aug 93*

[Text] Katia Rodriguez attended the news conference given by Cuban President Fidel Castro this morning. This is her report:

[Begin recording] [Rodriguez] Fidel Castro left the country today after a very tight agenda here in La Paz. Last weekend he held meetings with members of various social sectors.

Fidel Castro and his delegation left today from the El Alto International Airport at 1300 [1700 GMT] for Cartagena, Colombia, where he will meet Colombian President Cesar Gaviria for a few hours and then leave for Havana, Cuba, later today. Before leaving, Castro gave a news conference to talk mainly about the economic reforms in his country. He said that foreign companies have been investing in Cuba for the last few years in different areas, mainly tourism, but now they are investing in areas where Cuba needs them. He added that the companies have 50 percent of the shares and in some case more.

[Castro] We can work well in cooperation with foreign companies in the areas where we need technology, capital, and markets. The control of the companies depends on the type of company. The control is basically kept by the country, but in some activities foreigners have more experience than we do. In such cases, we prefer that in the first stage the foreigners keep control over the companies because they have more know-how, more experience. In the meantime, our personnel can be trained.

[Rodriguez] In relation to another measure recently adopted in Cuba, the opening toward foreign currency, including dollars, Fidel Castro said.

[Castro] Under the previous conditions, the policy was that the foreign currency had to be exchanged. I am referring to foreign currency in the hands of people who received it for rendering services or from relatives in an honorable and honest way. But we reached the conclusion that the punishment for having foreign currency was not producing positive results. It was one more crime and it placed greater demands on the judges, policemen, etc. The fact was that under our difficult situation the foreign currency circulated in some way.

[Rodriguez] We will have further information on this and other issues in our newscast tonight. [end recording]

### Spain's Solana Comments on Cooperation; Meets Castro

*PY0908213893 Madrid EFE in Spanish 0629 GMT 7 Aug 93*

[Article by Alejandro Varela]

[Text] La Paz, 7 Aug (EFE)—The Spanish Government will maintain the level of financial and technical cooperation reached in recent years despite the economic crisis affecting the European countries said Spanish Foreign Minister Javier Solana to EFE in La Paz today.

Solana explained that the economic crisis and the possible cuts in the Spanish budget "will not influence" the Spanish cooperation with the Latin American countries.

Solana, who attended the Bolivian presidential inauguration in La Paz yesterday, took this opportunity to meet with Latin American and U.S. officials.

Solana told EFE that Latin America will continue to be one of the main targets of the Spanish foreign policy along with the Maghreb and the EC.

The volume of the financial and technical Spanish cooperation to Latin America through various projects from 1989 to 1994 is over $6.5 billion.

Solana said that in La Paz he met with Alexander Watson, U.S. under secretary for inter-American affairs, to discuss "the possibility" of Madrid and Washington coordinating their policies of cooperation with this continent.

Solana also said he held a "long" talk with Watson on the cooperation programs developed jointly by the U.S. and Spanish Governments for some countries like El Salvador and Guatemala among others.

Solana also talked privately for an hour and a half with Cuban President Fidel Castro in a hotel in La Paz.

Solana told EFE that Castro conveyed to him his "gratitude and satisfaction" over the recent work visit to Havana by a group of experts headed by former Spanish Economy Minister Carlos Solchaga.

He said that during the talk, Castro also conveyed to him his concern for the economic situation in Cuba. Solana added: "Spain hopes that Cuba will join the current trend prevailing in Latin America."

Solana also met in La Paz with former Ecuadoran President Rodrigo Borja and IDB President Enrique Iglesias with whom he exchanged similar "optimistic" views on the Latin American economic situation.

Today Solana met with new Bolivian Foreign Minister Antonio Aranibar who was appointed on 6 August.

Newly inaugurated Bolivian President Gonzalo Sanchez de Lozada received Solana on 6 August and conveyed to him his desire that Spain continue with its cooperation programs and increase its private investments in Bolivia.

Solana said Spain could invest in Bolivia in the areas of mining, oil, and telecommunications.

Solana was also received on 6 August by outgoing President Jaime Paz Zamora in his private residence where a "long and cordial conversation" was held.

### Armed Forces Commander Gives Speech

*PY0908221593 La Paz Television Nacional Network in Spanish 1427 GMT 7 Aug 93*

[Speech by Bolivian Armed Forces Commander General Oscar Vargas Lorenzetti during a flag allegiance ceremony at El Alto Military Air Base in La Paz—live]

[Excerpts] Your Excellency Mr. Gonzalo Sanchez de Lozada, constitutional president of the Republic and captain general of the Armed Forces; Your Excellency Mr. Victor Hugo Cardenas, constitutional vice president of the Republic and chairman of the honorable national Congress; Your Excellency Mr. President of the Supreme Court; Your Excellencies ministers of state; Your Excellencies former presidents and former vice presidents of the nation; honorable congressmen; Mr. President of the Supreme Military Court; Your Excellencies former commanders of the Armed Forces; Your Excellencies commanders of the various Armed Forces services; honorable members of the diplomatic corps; distinguished political, administrative, judicial, civic, religious, military, and police officials; Messrs. officers and civilian personnel of the Armed Forces; Bolivian soldiers and sailors; ladies and gentlemen:

The soldiers of the fatherland have assembled once again on 7 August before the Bolivian people, imbued with the strongest of patriotic feelings to honor the flag and the fatherland. Our hearts are full of patriotic emotions as we pay homage to the great events that led to Bolivia's independence by displaying Bolivia's shining arms and flying its glorious banners. [passage omitted]

On this 168th anniversary of Bolivia we call for calm and realistic reasoning, that would free us from false prejudice and allow us to honestly and judiciously realize that what has been done so far to win for the country its rightful place in the community of nations has not been enough.

We believe that claiming that Bolivia is a young country is dangerous and soporific, because it is evident that this nation has been independent for many years and should therefore play a prominent role in the world. What we lack is the necessary maturity to face reality with the courage and determination displayed by our liberators during the struggle for our country's independence.

The ominous misfortunes toward which many of us display indifference and laziness should prompt us to dedicate our lives to attaining Bolivia's total freedom as a nation.

This is a difficult and probably complex task, which requires common sense rather than the complicated political approaches of controversial content, which we have seen in action in the recent past, prior to the fall of the Berlin Wall. This event was followed by violent and unexpected changes in that part of the world, changes which have led to unexpected confrontations and have markedly influenced political thought, to the point of giving rise to proposals, one more utopian than the next, to put an end to conflicts between societies, nations, or groups of nations through the nefarious approach of reducing or eliminating military institutions.

I will categorically repeat what I said at the foundation anniversary of the Joint Staff: Bolivia is not in Europe. It complies with a regional and essentially national reality. It is unique in its problems, its difficulties, history, culture, idiosyncrasies, aspirations, and needs. It protects its interests, which are vital for its people, and which it must protect by all means. It has its problems and conflicts, and therefore all its institutions are important. These institutions must be strengthened, and the Armed Forces are an essential element in preserving its sovereignty, its liberty, its security, and its self-determination. These are essential and irreversible principles, established in the unrenounceable mission imposed by the sovereign will of the peoples on their Armed Forces. These are expressions and guarantees of the liberty attained by the glorious liberating armies, the antithesis to the conquering armies of monarchical, feudal, imperialist, and expansionist regimes, who hatched the arrogance, assault, slavery, depredation of wealth, and disregard for the essential rights of man.

In this regard the first task is to understand the significance of the strange destiny of our people, as a great ancestral, traditional, and age-old heritage, which gave birth to an independent life with extensive territories off the coast of the Pacific Ocean. But suddenly it was unjustly smothered, landlocked, and isolated in the middle of the continent. That tragic landlocked situation, which has deprived us of access to the trends which are essential for progress and culture. Many nations are benefited by this maritime communications means that we lack, and which prevented us from having an effective development because of the obstinate actions of selfishness, injustice, and arrogance which are still perceptible for more than a century. However, this vigorous Bolivia will never give up its legitimate rights over its sea coast, over the Pacific Ocean.

It is not sufficient to describe hypothetical panoramas for the achievement of great objectives, but we must awaken the national pride under the terms of the current identity of the Bolivian nation, exposed to a mixture of emotional influences between what is original, indigenous, and traditional with what is modern and contemporary. Both trends are necessary. And we must exploit them for modernization and change, because we are dealing with a single fatherland: Bolivia.

The important thing is that it is imperative to outline an integration process, which will guarantee absolute and essential national unity, taking as a basis the desire for full democracy, without discrimination, but improving the social and cultural levels of all our social strata.

I do not intend to analyze the details of a reality which the Armed Forces have been considering and explaining in different circumstances throughout all this fully consolidated democratic period.

It is imperative to unite our people under the ideal of a single Bolivia, under the ideals of its symbols and laws, seeking its stability, its progress, and seeking to increase its potentials, thoroughly analyzing and resolutely debating those confused and peculiar—although they may be few and insignificant, which does not mean less dangerous—interpretations of misfits who astonish everyone by daringly questioning the need for the Armed Forces.

Aside from purely military considerations, it is essential for the political power to grasp the true meaning of national defense and security that is not limited to the preservation of the nation's territory. Much more important than that in the eyes of the community is the preservation, maintenance, and strengthening of its ancestral roots and traditions, the very essence of our society.

In connection with the privatization of public companies, we believe the Armed Forces must retain managerial control over strategic companies that have to continue operating, working, rendering services, and helping to build up the economic and financial strength of the state and the Armed Forces, given the prospects for economic recovery on the basis of what already has been achieved.

The Armed Forces want to make it clear that it is necessary to strengthen rather than weaken the political forces of the nation, which are currently split into a great many parties. The many political splits undermine the political parties' doctrinaire proposals.

Our remarks do not reflect a desire to restrict the freedom of thought but our practical approach to democracy, which should be exercised so as to build up the nation's political strength.

Keeping the Armed Forces out of politics is an important issue and should be handled judiciously. It is Bolivia's guardian institution and one of its pillars. As such, it has no commitments to individuals or organizations, be they political, labor, civic, or anything else. The Armed Forces belong to the nation and serves Bolivia as a whole. Thus, it must be respected as an institution at all levels because it

is firmly linked to Bolivia's most sacred interests and its future. It is immortal. Its presence is neither questionable nor arguable. We believe in wholeheartedly serving Bolivia to the point of sacrificing our lives if necessary.

Once again we emphasize the urgent need there is to seriously and judiciously organize and prioritize our international relations by seeking the assistance of political, institutional, and civic leaders who truly express the feelings of the people, in order to design a concrete and effective strategy capable of successfully resolving our maritime problems. Thus, we will be able to strengthen every official action directed at implementing policies that would give us an advantage in our negotiations with other parties and allow us to deal capably and independently with the impositions and oppression that could result from the unipolarity of today's world.

Given the spectacular charges of corruption that harm the image of Bolivia, its institutions, and its citizens, we must improve and enforce legal procedures capable of winning the respect our country deserves.

The Armed Forces will protect national unity above and beyond the interests of individuals or groups, theories or interpretations, regardless of whether or not they are justified, because our common history and origin give all Bolivians the same rights and duties regardless of race, religion, birth, sex, or ideology.

To accomplish this it is necessary to deal with decentralization, a sensitive issue, in such as way as to avoid the risks that hasty approaches may pose. In this endeavor men must be responsible, judicious, calm, and have only Bolivia's best interests in mind.

The Armed Forces are aware of the economic problems and accept them, just as it also accepts the consequences of the drastic policy of austerity it shares with most Bolivian people. The political power, however, must not shirk its serious responsibility for national defense and security and must give the Armed Forces the means it needs to accomplish its constitutional mission.

Everything we have said so far has to do with concerns that we have been making public every so often and will continue to do so. Our only purpose is to do our duty better and to serve the fatherland with the dedication that this noble endeavor requires.

It is possible that this attitude by our institution will prompt reminders that the Armed Forces is not entitled to debate compliance with constitutional provisions. I reiterate the Armed Forces' absolute and staunch respect for constitutional provisions, but it will not prevent us from permanently voicing the Armed Forces' position toward national problems because it is our inalienable duty to assess them realistically and issue our opinion.

Your Excellency, constitutional president of the nation and captain general of the Armed Forces: As commander of the nation's Armed Forces, on the occasion of this historical ceremony to honor the arms of the fatherland, I convey to you before the people of Bolivia our oath of loyalty for and obedience to the Constitution. We will demonstrate our ability to serve the nation in the awareness that we have a key role in the task of strengthening the state by fostering national unity.

We will make every required effort to prevent disruptions in the implementation of the reforms the country needs to rekindle the economy, whose only objective must be to improve the standards of living of all Bolivians.

We will make our contribution to national development in order to close the gaps that exacerbate cultural differences that become more dangerous as demands increase and antagonisms worsen.

Bolivia must take a firmer approach to overall development, an approach that will be less rhetorical and more effective in the quest for results that can be obtained when the people get together and put their minds to making things work properly. [passage omitted]

## Brazil

### Franco Criticizes Campaigns To Discredit Country

*PY0908214193 Rio de Janeiro O GLOBO in Portuguese 2 Aug 93 p 3*

[Article by Monica Gugliano]

[Text] Brasilia—During an interview granted to O GLOBO yesterday, President Itamar Franco stated that the country is gradually overcoming the difficulties it has and criticized the campaigns designed to discredit Brazil by "misinformed journalists, frustrated Brazilian citizens, and cabinet analysts."

President Itamar asserted that the ministers are working and the country is gradually overcoming its problems. Contrary to what many people think we have taken paths such as democracy, the struggle to lower high interest rates, oligopolies, inflation, an income policy that may solve the social difficulties.

Itamar hopes that Congress will bear in mind the State's bankruptcy and the difficulties the country is enduring when it discusses the provisional measure setting the salary policy and the consequent veto to the draft law establishing a salary adjustment equivalent to 100 percent of the inflation rate of the previous month.

Yesterday Itamar attended the flag raising ceremony at the Tres Poderes Square. Accompanied by the three military ministers (Army, Navy, and Aeronautic) he watched the Planalto Military Command Band perform and received a plaque from public and private schools of Sao Paulo that were invited to the ceremony.

#### Campaigns Against Brazil

The president said that many times neither the foreign nor national journalists understand the moment the country is experiencing and expect a democratic regime to implement autocratic measures. He added that it is very easy to talk and criticize forgetting that the government is tied to

the laws, the Constitution, and the National Congress. He said: "This is what the people want and this is what is being done." Itamar added that every country faces difficulties, "some are engaged in ethnical conflicts, others are plagued by unemployment."

Itamar stated: Misinformed journalists, frustrated Brazilian citizens, and cabinet analysts are engaged in a campaign to discredit Brazil. We must fight this lack of self-esteem. I will not tolerate this lack of self-esteem nor the campaign launched by analysts. The president commented that this must be fought without identifying, however, who the frustrated Brazilians who work against the country are.

**Real Cruzeiro**

Itamar then explained that the Central Bank will continue to regulate the provisional measure eliminating three zeros from the cruzeiro and will explain any doubts. Regarding the new currency, Itamar said:

It is a good name because the symbol of the currency has not varied. Anyhow, the name had to change because by eliminating three zeros the government changed the currency. By using the same symbol there will be less confusion.

**Itamaraty**

President Itamar reiterated that he will make some changes in the most important Brazilian embassies and asserted that this was clearly stated in the note issued last week after a meeting with acting Foreign Minister Celso Amorim. The meeting was summoned by Itamar after having complained about the time taken by Brazilian diplomats to react to the criticisms of various governments and the foreign media to the slaughter of street urchins in Candelaria district.

Itamar reasserted: What I said remains unchanged, the note does not amend anything I said. It is just a matter of reading what I said.

**Salary Policy**

Upon recalling that Congress has 30 days to assess the veto to the draft bill and the provisional measure, the president said that congress must make its decisions in a more expeditious manner. According to Itamar, the government has done its bit and now expects Congress to follow suit.

They must assess the government proposal within the framework of the true situation we are experiencing. The legislators must bear in mind the State's bankruptcy and the difficult moment the country is enduring. These difficulties are gradually being overcome.

## Denies Possible Postponement of Elections

*PY1008001093 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 9 Aug 93*

[Text] President Itamar Franco said today that he never thought of postponing the elections scheduled for next year, and that he did not define the country's current situation as dragging.

The president invited four journalists to travel with him aboard the presidential Boeing jet returning to Brasilia to deny the reports published by today's newspapers.

The newspapers attribute to a friend of the president the reports that he had reportedly predicted problems in holding the next elections, and that he had said Brazil is living through a climate of a dragging social crisis.

The president said the person who released such reports is not his friend. She must be a native from the countryside who is not aware of current events in Brasilia, he said. He explained that he has always defended the democratic regime, and that for this reason he has never thought of postponing the elections.

The president also admitted that the social crisis in the country is serious, but that he would never term it as dragging.

## Schedules National Defense Council Meeting

*PY1008015993 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 9 Aug 93*

[Text] President Itamar Franco has convened the National Defense Council to reinforce security in the Amazon region. The president distributed a note among journalists before leaving Juiz de Fora to fly to Brasilia. He said that he never mentioned the phrase dragging social crisis.

In the note President Franco said he never used the phrase dragging social crisis, much less mentioned postponing the election. He said that those who defend the democratic system and presidential succession cannot speak about postponing elections. The president said the quotes are out of context and he does not know who disseminated them.

President Franco talked with journalists in the plane flying him back to Brasilia. He said he will ask Finance Minister Fernando Henrique Cardoso to take measures to end banks' abuses when collecting the so-called service charges.

The president also criticized the Central Bank. He said everyone blamed him for all the confusion created with postdated checks after the creation of the real cruzeiro. According to Franco, the Central Bank cannot deny the existence of postdated checks because they are used by everyone in Brazil today.

The president's agenda at Planalto Palace was free. He scheduled a meeting of the National Defense Council for tomorrow. The Defense Council is made up of the presidents of the Chamber of Deputies and the Senate, the military ministers, the justice minister, the foreign minister, and the planning minister. They will analyze a project to supervise the Amazon region prepared by the Strategic Affairs Secretariat. The president wants an efficient system to prevent the entry of drugs and contraband into the country through the Amazon region.

## * New Trade Accords To Be Proposed to East Europe

*93SM0347C Sao Paulo GAZETA MERCANTIL in Portuguese 10-12 Jul 93 p 5*

[Article by Maria Helena Tachinardi: "Brazilian Government Proposes Trade Agreements to East European Countries"]

[Text] Brasilia—Brazil is proposing to all the East European countries that new trade agreements be negotiated to make them similar to the one signed with Poland last May. The intention is to update the diplomatic texts signed with the countries in that region. Some of those texts—for example, those signed with Hungary, Romania, and Bulgaria—still mention payment by a clearing system (accounts are settled without the use of hard currency). GATT prohibits its members from engaging in that kind of transaction.

Since the majority of East European countries are joining GATT, it no longer makes sense to retain clearing as a payment system in bilateral trade. According to diplomatic sources, Brazil is using hard currency in all its trade with East Europe.

Updating the trade agreements will not mean eliminating the joint commissions, which the Brazilian Ministry of Foreign Affairs considers useful in exchanging information about economic, commercial, and political ties between countries.

Brazil has recognized all the countries of the former Soviet Union that now form the Commonwealth of Independent States (CIS) as well as Georgia and Azerbaijan, which are not part of that commonwealth. It has also recognized the Baltic states (Estonia, Lithuania, and Latvia), Croatia, Slovenia, Bosnia-Herzegovina, and the Czech and Slovak Republics. The Ministry of Foreign Affairs notes that Brazil has "accepted" the Federal Republic of Yugoslavia as successor to the Socialist Federal Republic of Yugoslavia. This is a diplomatic nuance, but in practice, relations with the former Yugoslavia are similar to those with the other countries.

Since recognition, Brazil has established diplomatic ties with Armenia, the Czech and Slovak Republics, Belarus, Ukraine, the Baltic states, Croatia, and Slovenia and is about to do the same with the other CIS countries, although the actual dates for doing so have not yet been set.

### Embassies

The Brazilian Embassy in Vilnius, Lithuania is joined to that in Copenhagen, that in Estonia to the one in Helsinki, and that in Latvia to the one in Stockholm. This means that the Brazilian ambassadors stationed in the Nordic states are obligated to visit the Baltic states at least once a year to check up on those countries' relations with Brazil.

Our country has not yet recognized Macedonia, which has seceded from Yugoslavia, because it has no politico-economic interests in that country, according to the Ministry of Foreign Affairs. It has not established diplomatic ties with Bosnia-Herzegovina because Brazilian authorities do not yet know which government to negotiate with, commented one source at the Ministry of Foreign Affairs.

After the start of the conflicts with Bosnia-Herzegovina in April 1991, the United Nations decreed sanctions against the Socialist Federal Republic of Yugoslavia. Brazil complied with those sanctions by issuing the decree dated 19 June 1992, which provides for the implementation in Brazil of the sanctions ordered by UN Security Council Resolution 757/92. The measures adopted by Brazil ban trade with Yugoslavia except in the case of medicines and foodstuffs, and even the latter may not be traded unless approved by the Committee on Sanctions against Yugoslavia, which is presided over by the Brazilian Ambassador to the United Nations, Ronaldo Sardenberg. In 1991 Brazil exported $70.8 million worth of goods to Yugoslavia and imported only $2.2 million worth. Brazil's exports last year totaled $20.8 million from January through November, and its imports totaled $2.1 million, according to information from the Ministry of Foreign Affairs.

### Communist Regimes

Since the fall of the communist regimes in East Europe, Brazil has been visited by Romania's prime minister, Hungary's minister of foreign affairs and minister of international economic relations, Poland's minister of foreign economic relations, and the authorities of other countries. Brazil must, therefore, make return visits to Poland and Hungary and is awaiting visits from the Czechs and Slovaks, since former President Fernando Collor and former Minister of Foreign Affairs Abreu Sodre visited them.

As a result of the Brazilian political crisis—aggravated by the impeachment of President Fernando Collor—and the holding of the Rio Conference on Environment and Development last year, a number of bilateral visits by East European authorities were postponed. Several important figures from that region were in Brazil during the Rio-92 conference, but in a strictly multilateral context. Scheduled visits were canceled because of the unstable political situation in Brazil.

According to sources at the Ministry of Foreign Affairs, it would have been impossible to accept bilateral visits immediately after the Rio conference because doing so would have overburdened the schedules of the president and the minister of foreign affairs.

Russian Minister of Foreign Affairs Andrey Kozyrev and President Boris Yeltsin were scheduled to visit Brazil during the first half of this year, but they canceled those plans because of the plebiscite being held in Russia and the crisis in Yugoslavia. Kozyrev participated in the peace negotiation process in that country.

### Exports Up 1.63 Percent Last Year

Brazilian exports to East Europe totaled $374 million in 1992 and $368 million in 1991. Imports totaled $343 million last year and $349 million in 1991, according to

data from the Foreign Trade Secretariat. Trade with Bulgaria experienced a sizable increase: Brazilian sales rose from $3 million to $30 million, and Brazilian imports from that country rose from $102,000 to $6.5 million.

Brazil's trade with Russia also rose: Brazilian exports jumped from $86 million in 1991 to $104 million last year, while Brazilian purchases of Russian goods reached $154 million, compared to $127 million in 1991.

With Poland, on the other hand, trade dropped off considerably: Brazilian sales totaled $78 million in 1991 but fell to $40 million in 1992. Imports from the Polish market fell from $160 million to $109 million during the period in question.

The Foreign Trade Secretariat recorded sales of only $96,000 to Lithuania, which did not export anything to Brazil in 1992. Latvian imports from the Brazilian market totaled $154,000, while those by Belarus totaled $262,000. Armenia bought $30,000 worth of goods.

The Brazilian private sector in general has not shown much interest in exploiting new opportunities for trade with East Europe. The exceptions are exporters involved in such traditional sectors as iron ore, soybeans, textiles, and consumer goods. Importers of chemicals, medical and hospital equipment, and some types of machinery are also staying in contact with the East, say sources in the Ministry of Foreign Affairs.

### * Elite See No Advantage to Military in Government

*93SM0347B Sao Paulo GAZETA MERCANTIL in Portuguese 9 Jul 93 p 5*

[Article by Sergio Leopoldo Rodrigues: "Elite See no Advantage to Military in Government"]

[Text] Sao Paulo—A survey of businessmen, directors of business associations, economists, executives, jurists, and consultants shows that the majority of those interviewed (75 percent) do not believe that the influence of the military has increased in Itamar Franco's administration—nor do they see any advantage to a military presence.

The survey, called "Map of the Elites," was conducted from 24 to 31 May 1993 and was a cooperative effort by the FPJ [expansion not given] and CARTA POLITICA, NEWSLETTER DE ANALISE DE CONJUNTURA in Sao Paulo. A total of 52 businessmen, political leaders, and economists in decisionmaking positions were interviewed.

According to the survey, 75 percent of those polled did not think that Luiza Erundina's replacement by General Romildo Cahim in the Secretariat of Administration reflected a trend toward increased military influence in Itamar Franco's administration. Another 25 percent felt that there was influence, and 4 percent did not know [figures as published]. In addition, the survey shows that the majority of those polled reject extralegal solutions to the crisis.

The figures show that 58 percent of those interviewed in the FPJ poll see no advantage at all to a possible increase in military influence because they feel that such an increase would be a step backward for the country (29 percent). Another 10 percent feel that the military have proven themselves to be incompetent in government, and still another 10 percent feel that Brazil is in danger of "Fujimorization."

But 21 percent of those interviewed have a less negative opinion of a military presence in the government, since they believe that it might hasten basic reforms. In the opinion of those respondents, the only disadvantages would be those connected with any political step backward. There is also a minority of respondents (8 percent) feeling that a military presence in the government would result solely in advantages for the country, especially since the principle of authority would be restored. Finally, 14 percent expressed the opinion that at the moment, there is no possibility of an increase in military influence on the government.

## Chile

### Foreign Minister Terms Relations With Bolivia 'Normal'

*PY0908113093 Santiago Radio Cooperativa Network in Spanish 1100 GMT 4 Aug 93*

[Report by Claudio Lefort]

[Excerpt] Foreign Minister Enrique Silva Cimma has stressed that relations with Bolivia remain normal, and that the recent exchange of opinions is not beneficial for the two countries.

The foreign minister made these remarks to journalists at Congress yesterday. He did not, however, want to discuss remarks recently made by Admiral Jose Toribio Merino [former Navy commander in chief]. Merino's remarks were shameful for Bolivians.

[Begin recording] [Silva Cimma] We believe that relations with Bolivia remain normal, and that there were simply some remarks by the president of Bolivia that were, of course, not well received in Chile—and this is reasonable.

We believe this change or exchange of opinions by government officials, who at one time held some posts, is not beneficial for the good order of relations between our countries. Therefore—and I am not talking about anyone in particular—but in general, I, as foreign minister, will not voice any type of opinion on this issue.

[First unidentified reporter] Nevertheless, do you believe that it would be good for this type of exchange of opinions to end?

[Silva Cimma] It is very reasonable for events to continue developing in sensible terms.

[Second unidentified reporter] In conclusion, and I beg your pardon, but will the remarks made by Adm. Merino have any impact on....

[Silva Cimma, interrupting] I will not pass any judgment on this issue.

[Reporter] But could they have any impact on relations....

[Silva Cimma, interrupting] I beg your pardon, but I will not pass any judgment on this issue. [end recording]

The foreign minister emphasized that there are no situations in relations with Bolivia that could lead to conflict. He therefore did not share the opinion of some congressmen who suggested that a bill be shelved that allows foreigners from neighboring countries to purchase real estate in Chilean border areas, an issue that is still pending and subject to examination in the Senate. [passage omitted]

### Bolivian Economy Minister on Relations With Chile

*PY0908221593 Madrid EFE in Spanish 1527 GMT 9 Aug 93*

[Text] Santiago, 9 Aug (EFE)—New Bolivian Economy Minister Fernando Illanes today asserted that the strengthening of economic relations with Chile is the most effective path to normalizing political relations.

In a statement to the Chilean daily EL MERCURIO today, Illanes, who has just taken over as economy minister in President Rodrigo Sanchez de Lozada's government, said: "The best form of rapprochement between the two countries is through the commercial field, not only through trade in products, but also in investment and people."

Illanes added that through this path of economic integration, "the political issue can be solved in the future" and diplomatic relations may be restored eventually "if the two countries are heading in the same direction."

The new minister also voiced his support for the eventual expansion of the Economic Complementary Agreement signed by the two countries on 3 April in Santa Cruz de la Sierra, Bolivia.

The 10-year commercial agreement establishes zero customs tariffs that will be reviewed every three years, for 80 reciprocal products and another 30 that Bolivia may export to Chile and that are included in a preferential list.

Chile and Bolivia's diplomatic relations have been interrupted for the past 31 years due to the failure of negotiations in search of an outlet to the Pacific for Bolivia, which lost its seacoast during the war waged against Peru and Chile between 1879 and 1891.

## Colombia

### Political Figures Comment on Castro Visit

*PA0908174193 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 9 Aug 93*

[Telephone interview with Gilberto Vieira, secretary general of the Communist Party of Colombia, and former government official Jose Manuel Arias Carrizosa by Dario Arizmendi and an unidentified reporter in Santa Fe de Bogota—live]

[Text] [Arizmendi] Good morning, Dr. Gilberto Vieira.

[Vieira] Good morning.

[Arizmendi] The Foreign Ministry reported to the country through this radio station that Cuban President Fidel Castro is arriving tonight, 9 August, on a private visit that will last approximately 48 hours. He is on his way from La Paz to Cuba. What is the significance of this visit?

[Vieira] If the news is confirmed....

[Arizmendi, interrupting] It has been confirmed.

[Vieira] Fine. It could be very important for the growing development of commercial relations between Colombia and Cuba and for the necessary and [word indistinct] integration of Cuba into our Latin America.

[Arizmendi] Does Jose Manuel Arias Carrizosa, who served as Colombia's last ambassador to Cuba in 1981 when relations were broken, agree? Good morning, Dr. Arias.

[Arias] Good morning.

[Arizmendi] How do your feel about President Castro's visit to Colombia?

[Arias] It has no other importance than to prop up Mr. Fidel Castro's moribund image. The necessary integration of Cuba into Latin American can only be achieved by changing that political regime. As long as the shameful police state dictatorship exists, no integration is possible.

[Arizmendi] What do you recall of your period as ambassador in 1981?

[Arias] The Cuban people's (?sensational) condition. They are an extraordinary people with an inexhaustible capacity for suffering. The beauty of Cuba, of course.... [pauses] the immense national shock [word indistinct] that they are suffering because of the conditions the Cuban people have to endure.

[Arizmendi] Is the Cuban regime dying, Dr. Vieira?

[Vieira] No, quite the contrary. It has an extraordinary strength based on the understanding between the Fidel Castro government and the Cuban people.

[Arizmendi] You know Fidel Castro. You have talked with him on several occasions. What are his ideas?

[Vieira] [Words indistinct] personal friend of Fidel Castro.

[Arizmendi] What do you think of the remark by Fidel Castro during one of his latest news conferences that the guerrillas have no reason to exist in Latin America? He asked subversive groups to abandon their struggle.

[Vieira] Fidel Castro's statements have been published in Colombia in excerpts and chopped up. I am looking at

what he said during the fourth meeting of the Sao Paulo Forum held in Havana on 24 July.

[Arizmendi] What did he say?

[Vieira] He said verbatim: You well know that the person speaking to you participated in the armed struggle and supported the armed revolutionary movement, something we do not regret. But we see clearly that now, under these circumstances, it is not the most promising path. I am saying this with the greatest [word indistinct] respect for those are still fighting with strength and courage because they believe they have reasons to fight. We are pleased by the agreements made here in Havana now seek negotiated solutions in those countries where negotiated solutions have not yet been found on reasonable and just bases, on real guarantees. These are Fidel Castro's words, with which I wholeheartedly agree.

[Arizmendi] Dr. Vieira, Colombia and Cuba severed relations because it was proven the Cuban regime trained the M-19 [19 April Movement], at least at that time, to conduct an operation known as the south invasion. The Fidel Castro regime trained and armed the M-19. Do you think that Castro owes an explanation or an apology, at least, to the Colombian people for boosting, financing, training, and arming Colombia's guerrillas?

[Vieira] I am going to tell you what Fidel Castro once told me personally. He said: Here in this (?place) where we are talking—it was his office in the Revolution Palace in Havana—I had a long talk with the M-19 leaders at that time to try to convince them in vain not to conduct or carry out the insane plan for the so-called invasion of the country. Those were his words. I think he will be able to repeat them if someone asks him for an explanation.

[Arizmendi] When you say you wholeheartedly agree with Fidel Castro's statement of 24 July in Sao Paulo [as heard] regarding guerrilla activity on the continent, does that mean you are justifying subversive action in Colombia?

[Vieira] What is the question? Who is justifying what?

[Arizmendi] You. You said you wholeheartedly agree with Fidel Castro's statement.

[Vieira] Of course.

[Arizmendi] That means you agree with the subversive struggle in Colombia.

[Vieira] I feel the so-called subversive struggle in Colombia is the response by the Colombian people to state terrorism, chiefly to the dirty war unleashed by the military in the country.

[Arizmendi] Although the guerrilla movement kills, murders children, women, loots towns, burns....

[Vieira, interrupting] I also believe there are undesirable men in the guerrilla movement who commit human rights violations.

[Arizmendi] Mr. Vieira, do you share the old communist criteria of the combination of the forms of struggle?

[Vieira] The combination of the forms of struggle has been imposed on the Colombian people by the state terrorism. It is not an invention of the Communist Party.

[Arizmendi] Thus, does the Communist Party of Colombia [PCC] support the guerrilla movement as one of the people's means of struggle?

[Vieira] The PCC believes the guerrilla struggle is justified, as long as there is state terrorism and the dirty war.

[Unidentified reporter] What do you think is the reason for Fidel's saying, in the statements you read for us, that it is not the most convenient path for the time being?

[Vieira] I believe the same thing. I believe the only way out of this armed internal conflict in Colombia is political negotiation. That is why I, as member of the Human Rights Committee and the Subcommission for Peace Initiatives, am willing to cooperate with every possibility for a political negotiation on the armed conflict, as I consider that to be the only solution.

[Arizmendi] Thank you very much, Mr. Vieira. Mr. Jose Manuel Arias Carriosa, what is your position with regard to the statements made by Mr. Gilberto Vieira?

[Arias] I would like to point out something that is very interesting. That is the cynical manner in which we, Colombians, handle these concepts and the open manner in which Fidel Castro handles them, and even worse things.

At the moment our relations were severed, some columnists.... [pauses] The Communist Party naturally did so, but some press columnists started saying that Mr. Castro and Cuba were being slandered, that it was not true that they had trained the M-19 members for invasion of the south. Fidel Castro said that Cuba had indeed trained them and that Cuba assumed the international responsibility for what had been done.

Thus, he left them without a [30-second break in reception] means of struggling are substantial with the Communist Party, and that is what is making it disappear around the world. It is a genuine archaeological piece that has no viability—ideologically, politically, and much less morally—in a country in which the guerrilla movement has dedicated its time to consolidating an immense amount of capital through the worst forms of crime. It cannot have even the least amount of support from the public or the country's main sectors.

[Reporter] These were reactions from both sides to Fidel Castro's visit to Cartagena, Colombia.

Gilberto Vieira of the PCC says it is necessary for Cuba's integration to the region.

Jose Manuel Arias Carriosa, the last Colombian ambassador to Cuba, believes it is simply the strengthening of the moribund image of a dictator who is an embarrassment to the region.

## Castro Reportedly Visiting To Seek End of Blockade

*PA0908184693 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 9 Aug 93*

[Text] Fidel Castro will visit Colombia for the first time since his 33 years in power. He arrives tonight in Cartagena, where he will meet with President Cesar Gaviria. Gaviria hopes to lead the unification of Latin American countries, in which Fidel Castro's dictatorship has never participated. This gesture may give President Gaviria great fame and expand [dimensionar] Colombian democracy. For Castro, this would be a key step in his struggle to alleviate the U.S. blockade against Cuba. Castro is expected to send a clear signal to the guerrillas that may contribute to peace in Colombia.

Fidel Castro's visit to Colombia was agreed to over the weekend in Bolivia. Gaviria shared the same lodgings with Castro: the fifth floor of the Plaza Hotel in La Paz. This will be the third meeting between the two presidents in the past six weeks.

The first meeting was in Bahia, Brazil, during the Ibero-American Summit. This is Castro's second visit to Colombia. The first visit was in 1948, when Bogota was the venue for the Pan-American Conference. This time the agenda is open, but the meeting between the presidents will be private.

Nevertheless, the main topic of the presidents discussions was learned: The Colombian president will seek to form a Latin American bloc to exert pressure for the U.S. blockade on Cuba to be lifted.

[Begin recording, Acting Cuban Consul Pedro Suarez] Ambassador to Washington Gabriel Silva recently mentioned Colombia's support and the efforts that will be made in favor of lifting the blockade. [end recording]

It is believed that in repayment President Cesar Gaviria could receive from Fidel Castro a new statement in favor of the guerrillas' disarmament. This could play a key role in a new rapprochement with the Revolutionary Armed Forces of Colombia and the Army of National Liberation for new peace dialogues before the end of this government's term of office.

## Romanian President Comments on Visit

*PA1008010093 Santa Fe de Bogota EL TIEMPO in Spanish 5 Aug 93 p 3a*

[Interview with Romanian President Ion Iliescu during his official visit to Colombia by unidentified reporter; place and date not given]

[Text] Punctual, precise, calm, and careful in his pronouncements are how Romanian President Ion Iliescu could best be described. During a short news conference with several Colombian media representatives, the president proceeded to explain the reasons for his visit to this country and his opinion with respect to the conflict in the former Yugoslavia.

Although Iliescu's visit was somewhat short, something very clear remained: Romania is seeking to establish ties with Latin America to jointly strengthen relationships with developing countries.

[El TIEMPO] Why is Romania interested in Colombia and vice versa?

[Iliescu] There is interest not only in establishing bilateral relations but also because of the positions our respective countries occupy in a geographical area.

Romania is important to Colombia not only because it represents a market in a country with a population of 23 million people but also because it occupies a geographical position located in the mouth of the Danube River. Our country controls the last 1,000-km stretch of this navigable river that flows into the Black Sea. This is a midpoint between Central Europe and the West, as well as Russia and the Near East.

Colombia is also in an interesting geographical location, because on one side it has the Pacific Ocean, the other the Caribbean Sea, and it is also a connecting point between South and Central America. Its natural resources and the dynamics the economy has been recording recently are of particular interest.

[EL TIEMPO] What concrete advantages has Romania obtained during your tour to Latin America?

[Iliescu] In meeting with the presidents of the four countries [Argentina, Uruguay, Chile, and Colombia], we have been able to ascertain that there is common concern on issues such as world recession and the financial crisis that is hurting all nations.

The protectionist policies followed by the developed nations are hurting us all, and that is why bilateral relations are effective because they create more favorable conditions in developing countries.

Concerning our visit, we are interested in signing agreements related to building Romanian automobiles of the Dacia and all terrain vehicles. We are manufacturers of oil [industry] equipment, and we are aware that significant deposits have been discovered in Colombia. Romania and the United States were the first countries to start petroleum exploration during the past century. We also have a very diversified petroleum and petrochemical-processing industry. Then, maybe we could be partners in this new field.

[EL TIEMPO] To what degree is drug trafficking a problem in your country?

[Iliescu] Until a few years ago we had less problems in this area. During the totalitarian regime, free movement was limited, and border controls were much stricter; hence, drug trafficking was very much under control.

Following the revolution, we have opened our borders; millions of people have come into Romania and thus the danger of drug trafficking has begun to appear. This is why we have had to find adequate methods of fighting the

phenomenon. Specific measures, such as relations with Interpol and increasing border controls, have already been effected.

[EL TIEMPO] Would you support U.S. intervention in the former Yugoslavia?

[Iliescu] We are immediate neighbors of the former Yugoslavia, and we are interested in seeing the conflict brought under control in that country, with which we used to maintain a good relationship.

The current economic embargo situation there is also affecting the Romanian economy and travel down the Danube and through former Yugoslavia. So it is not only affecting us but other neighboring countries as well.

In this respect, we are interested in seeing the conflict brought under control. We do not believe that foreign military intervention can solve the problems there. We have observed the EC's political efforts—with support from other countries—to establish negotiations among the parties involved in the conflict. This is the only possible way to find a solution.

Former Yugoslavia is not Somalia. It is the only European country to resist the German Army when Europe was being trampled by Nazi Germany and its blitzkrieg.

Today, former Yugoslavia does not accept the imposition of a solution by a foreign force. I believe the general principle is that peace cannot be imposed by the force of weapons, and to carry out a foreign military intervention in Yugoslavia would only make things even worse. We may end up with a Vietnam in the middle of Europe, but to a more serious extent.

## Cuban President Castro Lands in Cartagena

*PA1008025593 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0206 GMT 10 Aug 93*

[Text] Cuban President Fidel Castro has just arrived in Cartagena de Indias. Special reporter Fabio Callejas will now report. Good evening.

[Callejas] Good evening, Mr. Julio and Caracol Network listeners. It is 2106. Cuban President Fidel Castro landed with his retinue at the Rafael Nunez International Airport in Cartagena de Indias aboard a Cubana de Aviacion flight at 2100 sharp. He is coming from Bolivia, where he attended the inauguration of the new president last week. At the airport, Castro was received by Colombian President Cesar Gaviria and wife, Foreign Minister Nohemi Sanin, and Colombian Nobel Literature Prize winner Gabriel Garcia Marquez.

In a few minutes and after he is received by Gaviria, Castro will go to the House of Distinguished Guests. As reported earlier, no agenda has been prepared. Castro made a few short remarks to a crowd of journalists. We could not even hear the reporters' questions. Relations between Colombia and Cuba will be reinforced with the Cuban President's historic visit. It has also been reported that Castro and Gaviria will hold a news conference on Wednesday, 11 August. The talks between the two presidents will be private, without an agenda or a specific program. Castro only extended a warm greeting to the Colombian people.

### Talks to Media

*PA1008033693 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0228 GMT 10 Aug 93*

[Report by Fabio Callejas and Victor Lopez in Cartagena de Indias—live]

[Text] [Callejas] Cuban President Fidel Castro arrived at the Rafael Nunez International Airport in Cartagena de Indias approximately 25 minutes ago. Two Cubana de Aviacion airplanes brought the Cuban president's delegation.

President Castro briefly spoke with more than 60 journalists who had waited for his arrival. He said the possibility of resuming diplomatic talks between Colombia and Cuba is still not given. He was asked the reason for his visit to Colombia. What did he say, Victor?

[Lopez] Two things should be mentioned, Fabio. President Fidel Castro has emphatically said there is still no talk about resuming diplomatic relations with our country. Referring to the reasons for his visit, he said his sympathy for Colombia prompted him to visit the city of Cartagena de Indias.

[Begin recording] [Unidentified reporter] [Question indistinct]

[Castro] Sincere greetings to all the people in Cartagena de Indias and Colombia. I am extremely pleased to be here [words indistinct].

[Reporter] What motivated your (?visit)?

[Castro] Sympathy for Colombia.

[Reporter] Will you restore diplomatic relations [words indistinct]?

[Castro] We have not talked about that.

[Reporter] [Question indistinct] [end recording]

[Lopez] The Cuban president arrived at approximately 2100. He wore an olive green uniform and was accompanied by approximately 12 persons. He was met at the airport by Colombian writer Gabriel Garcia Marquez and Foreign Minister Noemi Sanin de Rubio.

[Callejas] Minister Sanin de Rubio told the media the agenda is open; adding the time of the first meeting between Fidel Castro and Colombian President Cesar Gaviria on 10 August will be known in a matter of hours. The minister was asked about her opinion on a proposal for Castro to serve as mediator in the dialogue between the Colombian Government and the guerrilla groups. She said absolutely nothing has been discussed concerning the issue; adding a dialogue is expected on 10 August and results will be seen on Wednesday, 11 August.

[Begin recording] [Sanin] I repeat, the agenda between the two presidents is open and [words indistinct].

[Reporter] Minister, what about the possibility that Colombia may intercede with the United States for the lifting of the commercial embargo against Cuba?

[Sanin] It has not been discussed and that is not the role Colombia wants. This is a private visit with an open agenda. The presidents will choose and discuss the topics they want.

[Reporter] Drug trafficking, guerrilla groups....

[Sanin, interrupting] All the topics they want. This is a private visit with an open agenda and private meetings between the two presidents.

[Reporter] [Question indistinct]

[Sanin] The agenda is open. There is no doubt. They will discuss topics within the course of their meetings. [end recording]

[Callejas] There is complete hermetism on the topics that comprise the agenda for the work meetings that will be held from now on by Colombian President Cesar Gaviria and Cuban President Fidel Castro. An official bulletin is expected in a matter of minutes from the two governments' delegations, outlining the work agenda topics. The Cuban leader is expected to hold a news conference on 10 August.

## Paraguay

### Wasmosy Conditions Reestablishing Ties With Cuba

*PY0908212693 Asuncion HOY in Spanish 9 Aug 93 p 4*

[Text] Paraguayan President-elect Juan Carlos Wasmosy yesterday said that Paraguay will establish diplomatic and commercial relations with Cuba if Fidel Castro introduces changes and improves his country's social situation.

Wasmosy was asked why he did not invite the Cuban leader to the presidential inauguration on 15 August.

He replied that General Andres Rodriguez' outgoing government is in charge of the protocol program and everything having to do with the invitations.

He said: "If Gen. Rodriguez adopted a philosophy of inviting all the democratic countries with which we maintain diplomatic relations, well, that's his own decision. Cuba does not maintain diplomatic relations with Paraguay, and it is not a democratic country."

Wasmosy added that "I believe things will change if the Cuban social situation improves," thus hinting that he might reestablish diplomatic relations, which were broken after the ousting of the Batista tyranny.

He also commented on his recent trip to Bolivia, during which he visited the area in which "Che Guevara" was riddled with bullets. Guevara was an Argentine-Cuban guerrilla who attempted to spread the Marxist revolution all over Latin America. "We should think a bit about all of those people who died and who were prompted to engage in guerrilla warfare, which did not produce peace, well-being, or progress. Let us look at the leading developed countries and not at the fruit of guerrillas," the president-elect said.

It should be noted that Cuban President Fidel Castro attended the inauguration of Bolivian President Gonzalo Sanchez de Lozada, and that the outgoing Bolivian Government awarded him Bolivia's top decoration.

## Uruguay

### South African President To Visit 22-24 Aug

*PY1008014193 Montevideo Radio El Espectador Network in Spanish 0000 GMT 10 Aug 93*

[Text] South African President Frederik de Klerk will visit our country this month. Diplomatic sources have officially confirmed that de Klerk will make an official visit to our country between 22 and 24 August. He will be accompanied by a large delegation of South African businessmen interested in increasing economic and commercial relations with Uruguay.

## Venezuela

### * Candidates Speak at Fedecamaras Assembly

#### * Alvarez Paz

*93SM0358A Caracas EL NACIONAL in Spanish 7 Jul 93 p D1*

[Article by Alonso Zambrano]

[Text] Maracaibo (Special)—Oswaldo Alvarez Paz, governor of Zulia and Copei [Social Christian Party] standard bearer, opened the series of presentations by the presidential candidates at the 49th Annual Assembly of Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry], which commenced in this city on Tuesday, 6 July. He promised economic growth with monetary stability and no inflation.

In the political portion of his speech he argued for the creation of a Constituent Assembly, and he announced that he will propose to the Supreme Electoral Council that a referendum be held during the next election on 5 December, so that the electorate can decide whether to accept the proposal.

In seven points, Alvarez Paz outlined for the businessmen what, in his opinion, are the goals needed to achieve "a free economy in a solidary society." He emphasized that his government's fundamental objective in economic matters will be to "return to the course of growth, with monetary stability and no inflation."

He said that for a model of this kind to be sustained over the long term, it would have to be conceived as a program of integrated development, adopting measures such as reshaping and reducing the size of the state, eliminating

the fiscal deficit, and reorganizing the economy to make it more free and competitive. It must be a program that makes increasing use of the country's natural resources to perfect democracy, modernize the social security system and, finally, to give priority to the solution of social problems through the adoption of policies capable of meeting needs in the fields of education, health, housing, security, and services.

For the presidential candidate of Copei, reducing the size of the state means to break up the state enterprises that produce enormous losses in order to combat inefficiency and, in addition, to eliminate definitively the tutelary and paternalistic schemes that have so far characterized public administration in Venezuela.

He discussed the need for privatization as an instrument to increase the participation of civil society and the private sector in leading roles in public life, and in supplying many services.

What is involved—he said—is to utilize unproductive assets to replace national liabilities that are a very heavy burden on the country. This can all be accomplished without controls, by vigorously encouraging the process.

Alvarez Paz promised the businessmen gathered in Maracaibo a stable economy free of inflation, more free and more competitive "because the market is not the result of capitalism, as the ignorant go around saying, but of civilization."

Oswaldo Alvarez Paz announced that he will go to the Supreme Electoral Council to request that the country be consulted by means of a special referendum as to whether or not it wants a Constituent Assembly. He said that there is enough time to carry cut the proposal and that it is technically feasible.

He also said that on becoming president, one of the measures he would immediately put into effect is a general reform of collective bargaining in the Venezuelan public sector, by means of a process of negotiations.

"As it is constituted, collective bargaining has become an authentic fraud for those workers who have acquired any kind of rights and benefits, but are never able to make use of them," he said. "Each dispute is followed by a contract agreement that traps the state in a vicious circle."

Touching on the subject of elections, Alvarez Paz said that in December 1993, the country will have to choose between two options: that which represents the past, and his, which looks to the future. He remarked later, following the meeting with the businessmen, that he is the candidate to beat, which is why he is the subject of vicious attacks.

He said that he is under attack by a left that refuses to die and by experts of the past who have little to offer the future.

He pointed out that his accounts and books are available to anyone who wants to inspect them and, on the subject of political campaigns and drug trafficking, warned that traffickers target important persons who need large sums of money for their campaigns or for their political work, and cannot raise it legitimately.

## * Claudio Fermin

*93SM0358B Caracas EL DIARIO DE CARACAS in Spanish 8 Jul 93 p 17*

[Article by Griselda Calles]

[Text] Maracaibo—The economic program presented by Claudio Fermin, Democratic Action (AD) candidate for president of the Republic, is based on reducing public spending, the AD standard bearer told EL DIARIO on 7 July.

Fermin said that Venezuela must make decisions immediately on public services, and that the rhetoric about public spending cannot continue.

According to the AD candidate, the effective way to cut public spending is to reduce the size of the state, which today is dispersed, as he described it, in tens of ministries, hundreds of national and regional institutions and programs, hundreds of subsidies to private and collective projects "that cannot be a positive example for the development of public administration."

He pointed out that "the atomization of spending not only scatters spending but makes it inefficient," and he explained that this is why he is proposing that spending "be concentrated in security, education, health, and in a national program for the use of leisure time that, through sports, culture, and craftsmanship, will make social relations productive rather than unproductive idleness."

He emphasized that public spending must be cut, decreasing the size of the state, and not only by such erratic measures as reducing current spending by 10 or 15 percent.

He also suggested that private initiative be permitted to grow, "whether it be great capital infusions from abroad, small and medium-sized companies, the industrialists, retirement funds, or savings banks, but that the state fulfill its obligations to improve the standard of living by providing security, health services, and education."

On another subject, Fermin spoke in favor of reform of the current system of social benefits in order to attract foreign investment and encourage the return of capital that had fled to other countries.

He said that he was sure that social welfare reform would convince thousands of investors to bring their capital to Venezuela. He also claimed that many foreign investors had invested in other countries, and not in Venezuela, because they saw obstacles and red tape here, but especially because of the social legislation that is in force, "that they do not find very attractive."

He argued that this system inhibits employers from paying their workers better salaries.

Speaking of the petroleum industry, the AD candidate said that it is important to remove the tax on PDVSA's [Venezuelan Petroleum, Inc.] exports, support strategic relationships and rationalize gasoline production costs.

### * Rafaek Caldera

*93SM0358C Caracas EL UNIVERSAL in Spanish 9 Jul 93 p 4 Section 2*

[Text] The dichotomy between state and market must be ended, because both have a very important and indispensable function for all of us, and all of the country's social forces must unite in order to overcome the crisis that affects us at all levels. Thus spoke Dr. Rafael Caldera during his presentation before the 49th Annual Assembly of Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry] in Maracaibo.

In a hall full of delegates and special guests, Caldera gave a 40-minute speech that was awaited with extraordinary interest, given the well-known differences that the ex-president has had publicly with representatives of the nation's business community. The presentation received lengthy applause at the end, after which Caldera answered numerous questions from the floor.

The Social Christian leader began by expressing faith in the optimism that Venezuelans must possess, in his view, in order to deal with the crisis. "If I did not have faith in the future of my country," he said, "I would not be in this struggle which, basically, is evidence of optimism. But I am also a realist," he warned, "because I know Venezuela very well, and I know that it is going through a situation that, if not faced with determination and courage, could bring very serious consequences upon us, and for a very long time to come.

He recalled the words spoken from the oval salon by President Velasquez on 5 July in emphasizing the seriousness of the national crisis. He said that the response has been more public spending, more inflation, a continued decline in the value of the currency, and a larger budget deficit that is more difficult to remedy because measures are expected that will further increase the deficit through diminished revenues and more public spending, which has already increased six times during the current period.

"It is indispensable that we try to understand," he added. "The dialogue has deteriorated because basically there has been no desire to understand one another. When that occurs, no dialogue makes sense, because we all distrust one another."

Caldera warned that there will soon be urgent need for labor peace, and he said that he, more than anyone else, has the possibility to achieve it, because he has been clear and consistent in his ideas, and he enjoys the trust of the workers.

"It would be a very serious error to think that it is possible to take away from the workers the rights and privileges that they have won, and to think that it can be done without consulting them."

He then referred to the confrontation between neoliberalism and the state, saying that it is not a matter of opposing a liberal policy with an interventionist policy. He cited the critical situation faced, for example, by Venezuelan agriculture, and said that other countries protect their farmers amply, because they depend upon them for their food. He criticized those (he called them desk theoreticians) who threaten farmers with predictions that they will disappear because they are inefficient, and he asked: are the Swiss cheese producers inefficient, or the wheat growers in the United States, or the farmers in Japan or in the European Community, all of them solidly protected by their governments?

"I believe in integration, I believe in the Andean Pact," he said later, "but at the same time I hear the cries of the rural sector, of the textile, shoe, and apparel industries, of small and medium-size businesses that are the backbone for economic growth in any country. There is a cry of anguish because of the oppressive interest rates that are imposed wrongly, because it is believed that this protects the national currency, while it is certain that the only way to protect the currency is by creating confidence in the country and in ourselves."

Caldera said that the country has been badly served recently, and he cited as examples the decline in the level of education, the terrible lack of maintenance of installations, the lack of care and the misery in the hospitals. He said that it is not true that privatization is the only remedy for this lack of care, and that the degree of efficiency or inefficiency in the public or private sector does not depend on privatization, but on the mystique and the will of those who administer the institutions.

He opined that the next Congress should carry out broad constitutional reform that would strengthen human and social rights.

"An effort must be made," he continued, "to unite the social forces of the country. The market must be a reality, but the state must set the standards that guarantee the common good. Let us not fool ourselves. The country is at the gates of a conflagration, at the edge of a precipice; and if we are blind enough to believe that the December election will simply be a repetition of previous elections, we will be tragically mistaken. It is necessary to take the lead to reduce the indices of poverty and to care for the millions of neglected Venezuelans."

Following Dr. Caldera's presentation, some of those attending the 49th Annual Assembly of Fedecamaras asked questions. Prominent among the themes raised was that of social benefits, and Caldera responded that this was a subject that could not have been overlooked in this gathering.

He recalled that in the first Perez administration, a law was quickly approved in which the first disposition to be adopted by the president was to give seniority and unemployment compensation the character of vested rights.

He mentioned the many discussions that took place in the debate on the Labor Law, in the Senate as well as in the

Chamber, and in institutions and agencies interested in the subject, and said that if an accord is reached by employers and workers to establish a just system of social benefits, he would not stand in the way. "They have to convince the workers that the proposals being made to change the system are positive, but to take away from the workers, without their consent, what they consider to be a right that they have earned over the years would be very serious for the country," he said.

"If there is a consensus, if it can really be explained satisfactorily to the workers that there is a system by which they will benefit, I would be no obstacle," he repeated.

In reply to a question on the debt, he said that he has been one of the critics on that subject and of the conditions which attempts have been made to place on each country.

He said that he has supported the creation of a special agency for the debt, that would buy credits on the secondary market and negotiate with each country the payments of the amounts they would have had to invest to buy that debt.

He also criticized the positions of some Latin American countries that meet to make pompous speeches, while not defending what is really theirs, only complying with decisions made by those above.

On the subject of decentralization, he said that he considers it "positive, useful, and necessary, but the state retains a very great responsibility. Education and health could be managed in the hands of the states, but let us be careful, not all of the states manage things efficiently, because partisanship often prevails."

If the state does not assume its proper responsibility, the vices that we attribute to the national state will be passed in aggravated form to the regional and municipal governments. There must be a healthy, serious, and responsible understanding. I do not believe that the role of the national government is to divest itself of its responsibilities to see what the regional governments will do. There is great confusion at the moment, because when something troublesome comes up, we do not know whether it is the responsibility of the national, the regional, or the municipal government. I believe that the matter of responsibilities will have to be clarified for the benefit of the communities.

### * Andres Velasquez

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[Article by Luis Manuel Escalante]

[Text] Andres Velasquez will register his presidential candidacy with the Supreme Electoral Council on 24 July. He made the announcement prior to taking part in the 49th Annual Assembly of Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry], where he said that the country's problems are the result of not having governed in consultation with the people "and the evil that has been done and the problems that exist will not be remedied by the messianic behavior of parties or personalities."

He also said in a press conference that he favored the return to Venezuela of the military officers who had exiled themselves in Peru after the coup attempt of 27 November 1992.

He announced that he had met in Yare with those who were imprisoned because of the coup attempt of 27 February 1993. He is completely in favor of freeing them, and he has invited Commander Francisco Arias Cardenas to head the list of candidates to the National Congress for the State of Zulia.

Asked his views on the possible elimination of the current system of social benefits, he said he was opposed even to discussing the subject, if it meant harming the workers.

"I do not understand how anyone can try to gain an advantage by taking away an important benefit, which is the only social security that the workers have at this time."

He added that "if someone tries to reform the system without proposing valid alternatives to the workers, what that person really wants is to do harm, and that is not our position."

Velasquez later explained that the security needed by the workers, besides good wages, includes good health care services, an excellent school system, better security for life and property, and availability of jobs.

Andres Velasquez does not believe that the country's current problems require hurried solutions and thinks that whoever proposes them is simply "a demagogue, a deceiver." He believes that the problems facing us require fundamental changes, changes in the way of doing things and, therefore, he is opposed to messianic posturing by parties or persons "who believe that with a magic wand they are going to do everything."

To the contrary, when the candidate for Cause R spoke at the 49th Annual Assembly of Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry], that ended in Maracaibo on 9 July, he said that today's challenges require a common search for solutions by everyone, with the participation of all sectors and persons, that the people of the country be considered, that it be the result of participation by everybody, not an imposing of the will of a determined individual or group who believes that only he possesses the truth.

It was for that reason that he spoke of the need to reinvigorate democracy, and he challenged businessmen to participate in this new form of government in what is going to be the new Venezuela, "a more participatory Venezuela."

He believes that most of the current problems are the result of not having taken the people into account, and this is the reason for the mistakes, the wrongs, and the failures. One of them, for example, is the attempt to apply to the agricultural-livestock sector the same rules as the rest of

the economy. It is an attempt to make it compete, without understanding the reality of the domestic or of the world agricultural sectors.

These are errors that must be overcome, like the many others that caused successive governments to waste the country's most valuable resources and to miss the finest opportunities they had, in order to be where we are now: immersed in this crisis.

"I do not believe, therefore, that those who have made this situation possible are exactly the right persons to repair it."

The Cause R candidate repeated before the Fedecamaras delegates and guests that if we want real development, education is the first priority—to teach people to learn to manage themselves. Self-employment must be encouraged. For this, Venezuelans must recover their self-esteem which, in his opinion, has been diminished by the political parties and by the governments of the traditional parties, until they have deprived Venezuelans of their hope for a better life.

In this spirit, he also challenged the businessmen to begin a process of re-education for Venezuelans that will cause them to have greater confidence in themselves, to give more of themselves, and that this giving be more respected, not blemished, as it has been until now.

According to Andres Velasquez, the country's economic problem is eminently political: lack of confidence, lack of clear and permanent guidelines over time, changes in policies by simply changing the persons in the positions, and the failure to clarify situations at the right moment.

He added that this could not be changed by using the same people, by selecting the same persons who employ that style of government, and in that spirit he offered his own experience.

He said that his experience is of changing things, and of showing that it is possible to make a good government without being corrupt, without falling into political clientelism and without soliciting money from businessmen in order to grant them public works contracts.

He said that all he asks of them in Bolivar is that they do excellent work.

He believes that this is what should be done and said that the proof of what he says is in Guayana, a region where emphasis has been given to solving priority problems, such as education, health, and security. Regarding the first of these, he recalled that his work, building good schools and improving the curricula, was used as an example by UNESCO "and we did this without any corruption."

He said that this was his experience, this is what he offers—an invigorated democracy. He would work to make it more participatory, as is already being done in Bolivar, where the budgets of the zones are discussed directly with the inhabitants.

The other experience, that of the traditional parties, he said, he neither possessed nor wanted, "that experience of deception, corruption, clientelism, and of governing on the backs of the people."

At the end of his speech, which was interrupted several times by applause, there was a long ovation, unlike any received by the other candidates who spoke at the Fedecamaras Assembly. The businessmen even stood and continued applauding for more than 10 minutes, and Andres Velasquez—who was not expecting it—thanked them in humble fashion and gave the thumbs-up sign for success, but without raising his arms.